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Gov't clash with Histadrut looms over austerity policy

A BITTER clash between the Government and the Histadrut loomed yesterday over the Government's new austerity economic programme. As workers demonstrated, Labour Federation chief Yeruham Meshel demanded full payment of the cost-of-living allowance to compensate them for the steep rise in the prices of basic commodities.

But Finance Minister Yehoshua Rabinowitz warned that this would wreck the programme. Prime Minister Yitzhak Rabin said that in the months ahead more steps would be taken to overhaul the country's wage and tax system.

Workers from various plants in the Tel Aviv area assembled outside Histadrut headquarters yesterday to demand—good-humouredly—compensation for the latest price increases. A much worse-humoured demonstration took place last night in the city's Hatikva quarter. (Rahmani)

Lebanese President leads Arabs to UN

By ANAN SAFADI
POST Arab Affairs Correspondent

LEBANESE President Suleiman Franjieh left Beirut yesterday for New York to lead the parade of high-ranking Arab politicians scheduled to champion the "Palestinian cause" at the UN General Assembly debate opening on Wednesday.

Franjieh's entourage included Syrian Foreign Minister Abdul-Halim Khaddam and such top-ranking Lebanese personalities as Foreign Minister Philip Tekla, two former presidents, three former prime ministers and a former parliament speaker.

Algerian President Houari Boumedienne and Morocco's King Hassan are expected to join the Arab delegation in New York at a later date.

The strong Arab delegation was commissioned for the UN debate by the recent Rabat Arab summit. The Palestine Liberation Organization (PLO) is due to make its international political debut at the debate.

PLO chief Yasser Arafat is expected to fly to New York on Wednesday and probably leave the city the same day after delivering an opening speech. Arafat is expected to stay in Cuba during the first days of the debate.

Cairo radio last night quoted Arab circles as saying that the U.S. has granted permission for up to 25 PLO representatives to attend the debate, although their movement has been restricted to a radius of 40 kms. from the centre of Manhattan. A PLO spokesman said that the question of accommodating the movement's representatives was being settled yesterday with U.S. authorities and UN officials. The spokesman, however, gave no details for security reasons.

The spokesman said earlier that UN Secretary-General Kurt Waldheim has offered to house the PLO delegates at the UN headquarters buildings. UN circles yesterday dubbed as a "joke" a PLO suggestion to set up a tent camp for the delegates on the international body's grounds to demonstrate living conditions of "the Palestinian refugees in the Middle East throughout the past 26 years."

The 38-storey UN Secretariat and General Assembly Hall building was reported to have been placed under the most stringent security measures in its 29-year existence. The security measures applied by U.S. and UN authorities were said to exceed those adopted for the visits of Soviet leader Nikita Khrushchev and Cuba's Fidel Castro in 1960.

The bulk of the representatives of the UN 138-member states have applied to speak in the debate. Israel has put its name down to speak every day. So has Syria.

The Cairo-based Arab League yesterday said that it has outlined "a working paper" coordinating Arab positions towards rallying a "maximum support for the PLO" at the UN session. Arab League circles indicated they expected the UN debate to boost the Palestinian cause and establish the PLO as a major party in current efforts for a Middle East settlement. These circles further expected the debate to determine the future course of Middle East activity, which was believed to be temporarily suspended following last week's visit to the area by U.S. Secretary of State Henry Kissinger.

Pound may be floated

By MARK SEGAL
Jerusalem Post Reporter

THE GOVERNOR of the Bank of Israel, Moshe Sanbar, last night admitted that the authorities were considering floating the pound.

Appearing on a TV panel on the Government's new economic measures, Mr. Sanbar said Israel might follow the examples set by Austria and Australia, whereby the Israeli pound might follow certain currency criteria, not necessarily the dollar.

He was responding to prodding of Hebrew University economic professors Dan Patinkin and Michael Bruno, who both charged that the sudden public upset over the devaluation could have been avoided if the pound had been allowed to gradually adjust to the dollar over the past few years.

Poor will be compensated

Jerusalem Post Staff

LABOUR MINISTER Moshe Baram pledged yesterday that the underprivileged would be fully compensated for higher prices resulting from Saturday night's devaluation and from other fiscal measures taken that night.

Talking to reporters in his Jerusalem office, Baram said, "We will use the instrument we have — National Insurance — to ensure that poorer people do not suffer unduly from the harsh but necessary steps the Government has taken."

As an immediate step, a flat IL25-per-person advance payment will be made this month and next to all recipients of National Insurance benefits. The final adjustment will be worked out by an inter-Ministerial committee to which the Histadrut has been invited, he said.

At a meeting yesterday with Baram and other Ministers, Histadrut representatives demanded enlarged National Insurance family-allowance payments to all parents, not only those with three or more children.

Baram promised to raise the matter at a forthcoming Cabinet meeting. (Israel Radio reported last night that Police Minister Shlomo Hillel had assured the Histadrut officials that their demand would be met.)

Baram also promised the Histadrut group to try to have the bi-monthly family allowance, due on December 21, paid at the beginning of the month, and to have the IL25 advance payment added to the cheque.

Another Minister — Social Welfare Minister Michael Hazani — yesterday promised full compensation for the rises, this time to the country's 100,000 welfare recipients. He said a welfare family of four will get a IL100 advance in addition to its regular welfare payment this month. If that fails to cover the price rises, he added, there will be an additional payment later.

Cabinet gets reports on enlistment

Jerusalem Post Reporter

THE CABINET sat yesterday at the Ministerial Security Committee and heard reports on the Israel Defence Forces' manpower situation and on the steps being taken to increase the enlistment. Surveys were presented by Defence Minister Shimon Peres, Chief of Staff R/A Mordechai Gur, and the head of the IDF Manpower Branch, Aluf Herzi Shafir.

Regulars are getting sizeable salary increases and those who are university students will get special concessions from their faculties.

Exempted persons are at present being screened at the rate of several hundred weekly, their former medical grades are being checked, and some men are getting their former exemptions confirmed. Others are being called-up for compulsory service and others still assigned to the reserves.

The Cabinet yesterday approved an extension of Army service for girls, from 20 to 24 months. The extension covers girls called up during and after June, 1973. The aim is to release men from non-combatant jobs by replacing them with girls. Occupation such as drivers and signallers are involved.

The extension does not require Knesset approval. The original term for girls, of 24 months, was shortened by an Order gazetted by the head of Manpower Branch. To lengthen the term, he will simply gazette another appropriate Order.

The Cabinet did not touch on national service for orthodox girls and for yeshiva students yesterday. These points have been on the agenda for some weeks but the Cabinet has not yet managed to get round to them.

At the start of yesterday's session, the Defence Minister, Police Minister Shlomo Hillel and the Chief of Staff surveyed security affairs and matters affecting day-to-day security. No details were released.
(Youth for Civic Guard — Page 2)

Histadrut to demand full C-o-L allowances

Jerusalem Post Reporter

TEL AVIV. — The Histadrut will insist on full cost-of-living allowances to cover the rise of prices following the Government's new emergency economic measures, Secretary-General Yeruham Meshel announced at 6 a.m. yesterday, following an all-night session of the Central Committee.

The committee convened at midnight and heard the details of the programme over the radio at 2 o'clock. Mr. Meshel and two committee members then called Minister of Finance Yehoshua Rabinowitz for more information.

The Histadrut Executive will meet tomorrow to discuss the situation. Mr. Rabinowitz has been asked to address the meeting.

The C-o-L issue is of the utmost significance to the Histadrut, Mr. Meshel said, indicating that the Labour Federation would fight the Government rather than accede to its request to waive the allowance following the rises caused by the new measures. It is understood that the Central Committee was unanimous on this issue. Mr. Meshel said the C-o-L compensation was the only realistic way to soften the impact of the sudden leap in prices and avoid social unrest.

However, the Central Committee was not of one opinion on other aspects. Naphtali Ben-Moshe, of Mapam, wanted the Histadrut to declare that the Government should reduce the prices of many commodities, so as to reduce the impact of the sudden and drastic changes. The resolution asked the Government "to reconsider the prices and fix them at a level which would not affect the standard of living of low-income bracket workers." The Histadrut wanted an increase in compensation to these workers. The Histadrut also wanted the Government to pass legislation about higher taxes on money and property.

The relative docility of the Central Committee was due, probably, to the fact that most members realized the drastic measures were necessitated by the economic situation. Yaakov Vilan, a kibbutz member, noted that farming was impossible if it was subsidized to the tune of 80 per cent of the produce cost, stating that it should be 25 per cent at most.

Information concerning the new economic measures can be obtained from the Histadrut Consumer Authority by phone 03-268369 from 8 a.m. to 6 p.m. starting today.

Rise in dinar value dulls shock in areas

Jerusalem Post Reporter

NEWS OF the price rises yesterday rumbled like a shock wave throughout Judea and Samaria, though the effect seemed to have been neutralized by the increase in the value of the Jordanian dinar. Local Arabs use the Jordanian dinar as a major means of exchange, and the official value of the dinar shot up from IL12.65 to IL18 because of the devaluation of the Israel pound.

Sources at the Judea and Samaria Command last night said that West Bank Arabs were bound to be affected as much as Israelis by the latest economic restrictions, noting that Israel and the administered areas constitute "one economic unit."

Price rise may reach 34 per cent

THE TREASURY'S estimate that the devaluation and associated measures will increase prices by 17 per cent is an underestimate, according to many statisticians.

This figure takes into account only the direct impact of the new exchange-rate and new taxes. But there must be a chain-reaction. Higher bread, milk, egg and meat prices mean higher meal prices at the restaurant. Higher fuel and raw-material prices mean higher prices for manufactured goods. Service prices (hairdressers, plumbers, doctors, housemaids) will probably go up promptly in response to the individual's higher living expenses.

Whether deflation of demand will force the index down again remains to be seen. Payment of a partial cost-of-living allowance in January will still pump IL2b. a year into circulation, one economist pointed out. Unless the credit squeeze bites hard into the volume of economic activity, prices in Israel could go up over a three-month period by double the stated 17 per cent figure, he believes.

Alternative was 100,000 out of work

By DAVID KRIVINE
Jerusalem Post Economic Correspondent

THE SERIES of price hikes announced early yesterday morning, through devaluation and a slashing of subsidies, imposes a heavy burden on the public. "But the alternative would be unemployment for 100,000 workers six months from now," Finance Minister Yehoshua Rabinowitz told the press in his Jerusalem office yesterday.

Half-an-hour after midnight on Saturday, the Cabinet approved Israel's biggest slash in living standards to date. This followed a six-hour discussion of Mr. Rabinowitz' proposals, which itself supplemented a first round of deliberations last Thursday morning, prior to Dr. Kissinger's arrival.

The emergency programme (as reported in our late edition yesterday) involves a devaluation of the Israel pound to IL6 per dollar; the addition of a 15 per cent import levy (giving an effective exchange-rate before customs of IL6.90); a tax refund to exporters of IL1.30 (giving them an effective exchange-rate of IL7.30 to the dollar, as against IL6.04 formerly); and extensive reduction of subsidies on consumer goods and services: a 10-20 per cent increase in indirect taxes on various commodities; also an outright ban for six months on the import of cars, household durables and various luxury goods.

The austerity programme that emerged has been made imperative, according to Mr. Rabinowitz, by a precipitous fall that overtook the country's foreign exchange reserves. The trade gap widened from $1b. in 1972 to $2.5b. in 1973, and $3.5b. this year.

The biggest cause is defence. Arms imports came to $700m. in 1972. This year they total $2,350m. "If the U.S. agrees to finance all our requested $1,350m. of aid, we shall still have to pay for $1,000m. of military hardware (including imports for the local weapons industry) out of our own pockets."

The cost of food and other primary products has risen by $650m. over the last two years, and petroleum by $600m. Attempts to keep the price of the 14 selected basic commodities and services stable therefore became very expensive. "Last February, the subsidies cost the budget IL1,250m. Today, with the dollar priced at IL6, they would be costing IL5,000m. The price increase for sugar, bread, milk, eggs and other items leaves us with a still remaining outlay on subsidies of IL2,500m.," the Minister claimed.

The emergency measures are in three parts. First came the budget cuts and higher taxes in July. Second, the present devaluation. The third stage of Mr. Rabinowitz' rehabilitation programme is a comprehensive reform of the country's wage, income and tax system, to be prepared by a special committee representing the Government, the Histadrut and the employers.

Success requires acceptance by all sectors of the belt-tightening economies facing them. Chiefly affected is the Histadrut: everything depends on its reaction to these sudden hammer blows. On the wage front, the Government has requested a freeze, by extending collective agreements unchanged for another year.

The cost-of-living allowance in January will come to about 30 per cent of basic wages (up to a maximum of IL300 a month), assuming that the latest price hike is ignored — which it must be, Mr. Rabinowitz insists. The 30 per cent will be paid in full, which should give some ease to wage-earners. The emergency programme is putting the price index up by another 17 per cent. But no compensation can be given for that, either in the January or July allowances, he stressed.

Present policies will not generate unemployment, Rabinowitz promises. They will only get rid of over-employment and the labour shortage, which have been plaguing industry. The programme is designed to trim the economy down, so that it can later resume its traditional dynamic growth. But if the suggested economies are not applied, the dollar reserves will run out, and more painful policies by far will have to be adopted, he cautioned.

An army of taxmen are invading shops, factories and warehouses to

(Continued on Page 3, col. 3)

Rioting in Hatikva qtr.

Jerusalem Post Staff

TEL AVIV. — Black Panther leader Shalom Cohen was arrested last night at the head of a Hatikva-quarter mob which wrecked two buses and several cars in an unsuccessful anti-inflation march on Tel Aviv.

Police, who last night were guarding smashed store fronts in the quarter, said Cohen had ignored repeated appeals to stop from Tel Aviv police chief David Ofer. They added that they would use a strong hand to preserve order.

In the morning loudspeaker trucks passed through the Hatikva quarter calling on the residents to demonstrate against the Government's new economic programme. By early evening several hundred youths had gathered in the quarter's Etzel Square — site of Saturday's riot over a cancelled football game — and begun stoning police and helmeted border police. Attempts by Mayor Shlomo Lahat to cool tempers were fruitless.

At six o'clock the crowd divided into two groups, one of which looted in the quarter until they were dispersed. The other set off for downtown Tel Aviv via Levanda and Levinsky streets, smashing windows as they went. Elements of the mob were stopped just short of Rehov Allenby, in Rehov Aliya.

In this first riot, police arrested eight children aged seven to 15½, and six adults.

At eight p.m. police say, when the violence had been reduced to scattered rock-throwing, Cohen and several followers appeared in the quarter and collected a crowd of 250-300. They set off on the same Levanda-Levinsky route for downtown Tel Aviv, demolishing two buses and several private cars they encountered.

Police said they moved in after Cohen several times ignored Nitzav Ofer's orders to stop; they arrested four of his followers with him.

A much more peaceful, although angry, protest against the austerity measures was staged yesterday at Histadrut headquarters in Tel Aviv by about 500 workers from the Amcor, Ampa and Ha'argaz firms. Other than surging occasionally into the building — and shouting down attempts to speak by Histadrut Trades Union chief Uriel Abrahamowicz — they confined their anger to arguing with each other about the injustice of the lifting of subsidies.

Arafat tries to woo U.S. on TV show

By WOLF I. BLITZER
Jerusalem Post Correspondent

WASHINGTON. — In an interview plainly designed to win propaganda points with U.S. public opinion just a few days before his scheduled arrival in New York, PLO leader Yasser Arafat yesterday attempted to take a somewhat less militaristic stand against Israel. But he once again refused to proclaim that the PLO will live in peace with Israel.

Appearing on ABC's "Issues and Answers," Arafat said that "any Israeli who accepts and believes in the basic premises and objectives on which the PLO stands is welcome and is a partner with whom we can negotiate." He did not elaborate on the principles of the PLO, but in its covenant and 10 points, the terrorist organization calls for the liquidation of the State of Israel to be followed by the establishment of a secular Palestinian state. In yesterday's interview Arafat avoided calling for the destruction of Israel, and said instead that "what we want to dismantle is that aggressive, that expansive attempt and attitude of the Israeli State."

France sends Saudi Mirages direct to Egypt

Jerusalem Post Military Correspondent

EGYPT HAS taken delivery of three French Mirage fighters, the first of 36 ordered for the Egyptian Air Force by Saudi Arabia. The fighters, of the IIIE type, were flown directly from France a few days ago. Delivery of the whole order will take about two years.

The deal will contribute towards the rebuilding of the Egyptian Air Force, which, according to reports in foreign papers, lost about half its strength in the Yom Kippur War. The effectiveness of the remaining planes is severely curtailed by the shortage of spare parts.

The supply of spares and new planes to Egypt by the Soviet Union has been suspended because of Russia's dissatisfaction at being excluded from the diplomatic moves in the Middle East. But deliveries may be resumed after Brezhnev's visit to Cairo in January.

'450 tanks from U.S. since war'

Jerusalem Post Correspondent

WASHINGTON. — Since the Yom Kippur War, the U.S. has shipped to Israel 450 tanks and a further 250, mostly modern M-60 and some older but remodelled M-48A3 tanks, are to be shipped by next summer, the "Washington Post" reported yesterday.

This, in turn, is causing some unease in the U.S. Army which says it has 8,350 tanks in its arsenal, but is still short of its 10,000 authorized level and is having trouble building tanks fast enough, the "Post's" Pentagon correspondent Michael Getler said.

He added that the U.S. has replaced the 34 F-4 Phantom fighter-bombers Israel lost in the war, and, beginning last February, started delivering two Phantoms every other month. The last of these planes under contract are scheduled for delivery next summer, but they might be speeded up, the correspondent said.

When deliveries are completed, Getler continued, Israel will have 175 Phantoms and roughly 300 smaller A-4 attack jets, more than before the war.

SNAPPING UP everything in sight, hopefully before the prices are marked up, in the Shekem shop in Jerusalem yesterday. (Weiss)

Rush on shops for old stock

By SARAH HONIG
Jerusalem Post Reporter

TEL AVIV. — The nation went into an all-out shopping frenzy yesterday with shops rushed in a last-minute, and mostly vain, attempt to beat the price hikes.

Many shopkeepers expected to be mobbed, and did not open up for business yesterday morning. This was particularly true of small corner groceries, whose owners were accused by angry shoppers of planning to unload their goods at higher prices.

The shoppers' onslaught was concentrated mainly in supermarkets and electrical goods stores.

In some Tel Aviv supermarkets, the managers shut the doors as the stores became crowded, and allowed shoppers in one by one as others left laden with groceries.

People seemed to be grabbing everything off the shelves indiscriminately, some not even noticing whether they were purchasing goods still selling at the old prices, or whether they had already been marked up.

Items snapped up last week in anticipation of the subsidy cuts — such as oil, sugar, flour and rice — were still unavailable. The shoppers, undaunted, turned their attention to everything else on the shelves, emptying most of them by the early afternoon hours.

The situation at electrical goods stores was not much different. One retailer in Holon told *The Jerusalem Post* that people did not much care what appliance they were buying. "If I say that I don't have the thing they request, they ask what there is that I can sell them. The main thing is to buy, and it makes little difference what."

What on Friday were considered outrageous prices, became outstanding bargains yesterday. The retailers were not cheating themselves by selling old stock at old prices, because they took the full price instead of granting the usual reductions.

Aaron Sittner adds from Jerusalem:

A spokesman for the Ministry of Commerce confirmed last night that retailers may lawfully charge the "new" price for any article in their existing stocks.

The Treasury will not be short-changed since the increased taxes and surcharges will be collected eventually. According to the spokesman, retailers with inventories of IL30,000 or more in stocks will be required to pay an inventory tax based on a spot check or declaration. Merchants with inventories valued below that sum will receive supplementary tax bills from the Income and Property Tax Division.

AFTER MIDNIGHT

Gunmen shot dead West Berlin's chief judge, Guenter von Drenkmann, at the door of his home last night. The shooting was believed to have been an act of revenge for the death in prison of Holger Meins, a member of the Baader-Meinhof terrorist group (See page 5).

Knesset debate today

Jerusalem Post Knesset Reporter

Finance Minister Yehoshua Rabinowitz will review the latest economic squeeze in the Knesset at four o'clock this afternoon. This will be followed by a debate, to take up the rest of the session.

PANOVS' PREMIERE STUNS

By DORA SOWDEN
Jerusalem Post Dance Reporter

TEL AVIV. — Three thousand persons will long remember last night in Tel Aviv, when Valery and Galina Panov gave their world premiere as a duo.

It was not only that the audience expected and got what must be reckoned one of the world's great performances (duets and solos from various ballets, including "Nutcracker"). It was an affirmation of the human spirit.

Dressed in gorgeous white costume like a prince and princess out of fairyland, the two dancers seemed a little nervous as they walked on for their first public performance since leaving the Soviet Union.

Valery's leg trembled a bit, but once the two had started, their technical dazzle was so tremendous that the audience burst into applause time and again.

Despite the disadvantage of having the orchestra behind them and so small a stage for Panov's wonderful leaps, they gave a marvellous performance, with the applause lasting almost as long as the dances themselves.

Among the distinguished audience were the President and Mrs. Katzir, Mrs. Golda Meir and U.S. Ambassador Kenneth Keating.

After the performance, the dancers were honoured at a reception at the Accadia Hotel in Herzliya, given by Sam Federman.

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THE WEATHER

Forecast: Partly cloudy with possibility of rain in North and Central Israel. Drop in temperatures.
Weather synopsis: Cold low over Rhodes moving eastwards.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	24	15—24	12—20
Nahariya	64	13—24	15—23
Safad	49	11—21	11—18
Haifa	62	15—24	16—23
Tiberias	58	14—25	15—25
Nazareth	57	13—25	12—22
Afula	56	10—27	13—24
Shomron	38	14—23	12—21
Tel Aviv	68	14—23	16—23
B-G Airport	55	12—26	14—24
Jericho	34	12—30	13—29
Gaza	72	14—24	16—23
Beersheba	21	10—27	13—25
Eilat	19	14—31	16—29
Tiran	18	19—32	18—31

Social and Personal

Zvi Bar-Niv, president of the National Labour Court, will speak on "The Law and Labour Relations" at the weekly meeting of the Jerusalem West Rotary Club, at 7 tonight, at the Spanish Colony restaurant.

Mayor Yosef Almogi and Haifa city councillors were the guests of the Navy yesterday and were received by O/C Binyamin Telem.

DEPARTURES

Justice Minister Haim Zadok to London, for the opening of a Joint Israel Appeal conference.

Minister of Religious Affairs, Dr. Yitzhak Rafael, to the U.S. to attend a Mizrachi conference.

ISRAEL DEVALUATION WELCOMED IN U.S.

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Israel's 42 per cent devaluation and the other drastic economic measures adopted Saturday night are expected to encourage U.S. officials to act favourably on Israel's current and future economic aid requests. These severe steps demonstrate the heavy burden the Israeli Government has already placed on its citizens, according to Israeli officials here.

American purchasers of Israel Bonds and contributors to the United Jewish Appeal and the Israel Emergency Fund are also expected to increase their support, these officials believe.

Devaluation of the Israeli pound will also lead to an increase in U.S. private investments in Israel, the officials speculated, asserting that many investors had been postponing their projects because the former exchange rate was believed unrealistic.

All together, the Israeli officials here were convinced that these economic measures were unavoidable. If anything, one official noted, the exchange rate should have been raised to seven Israeli pounds per dollar rather than six. He insisted that Israel's economic situation today was as bad as it was in 1951.

Israeli officials are currently presenting to their American counterparts Israel's economic aid requests for the next fiscal year. Although Congress has still not acted on the current fiscal year's foreign aid bill, it is expected that the lame-duck session of Congress, which convenes next week, will eventually approve the package. Israel's supporters on Capitol Hill have earmarked $250m. in economic grant aid to Israel in that appropriation.

There have been various estimates of how much the Israeli Government is requesting in economic aid in next year's package, ranging from the present $250m. up to $500m. In that same programme, Israel has already requested $1,500m. in military aid.

American officials are well aware of Israel's economic situation. Last July, when the Israeli Government adopted a severe programme aimed at reducing inflation, *several senior* American officials expressed their belief that Israel had very great need for aid.

"Those steps (in July) were nothing compared to what the government has done now," one official told *The Jerusalem Post*. He added that Israel's credibility has been strengthened by these latest measures.

Moreover, Israel and the U.S. are currently negotiating a multi-faceted economic agreement to encourage U.S. investments in Israel, promote Israeli imports in the U.S., help Israel with its raw material needs, and begin a mutual exchange programme of technological know-how.

Finance Minister Yehoshua Rabinowitz and Commerce and Industry Minister Haim Bar-Lev are due to come to Washington around December 3 *to sign the new accords* with their American counterparts, Treasury Secretary William Simon and Commerce Secretary Frederick Dent.

Israeli officials here expect the devaluation to lead to a net gain of between $60m. to $90m. in Israel's trade balance with the U.S. Israel currently exports about $280m. worth of goods to the U.S. (mostly polished diamonds), while it imports about $580m. worth of American *products, excluding military items.*

Former Finance Minister Pinhas Sapir declined to comment on the government's new economic programme or the devaluation. Sapir, now in Atlanta on a speaking tour of the U.S., said that since he is no longer in the government it would be improper of him to comment.

Rabin: More painful steps forestalled

Jerusalem Post Staff

PRIME MINISTER Yitzhak Rabin told the nation last night that had the new economic plan not been adopted now, "we would have been faced with the need for much more painful solutions in a matter of months."

In a 12-minute appearance on the Mabat television news programme, Mr. Rabin said the Yom Kippur War had turned into an "unfinished war," with arms being poured into the Arab states. To maintain its strength, Israel has to allocate a third of its gross national product for security compared with 17 per cent prior to the war.

The world economy, he said, had also changed since the Yom Kippur War, with fuel prices having risen fourfold and basic commodities *also rising in price sharply.*

To face the challenge of higher costs, the Government, a month after its formation, inaugurated its first economic plan. "We did not claim it would solve the problem. Its function was to moderate inflation, and indeed inflation has been limited during the past four months, with prices rising by one per cent a month.

"The second stage is a painful one. Its purpose is to prevent the impoverishment of our foreign currency reserves .... If we had not halted that impoverishment today, we would have faced a much more difficult situation in a matter of months," the Prime Minister said.

TRANSPORT

Israelis will fly less

By ZE'EV SCHUL, Jerusalem Post Aviation Correspondent

TEL AVIV. — El Al executives yesterday predicted that the combined impact of devaluation, increased travel taxes and higher fares would keep many Israeli would-be travellers at home this year.

El Al carries the greater share of Israeli air travellers to and from Israel, but other airlines are also expected to be affected and the association of foreign airline representatives in Israel convened yesterday to discuss the situation.

The $450 allowance for travellers will cost IL810 more. While no final price list was available here yesterday the following should give an approximate idea of some of the new fares with the new travel taxes (off-season rates and not final). The first two columns give the old individual and group flight rates. The third and fourth columns the *new prices, again* individual and group flights in that same order:

	Old Rates		New Rates	
	Individual	Group	Individual	Group
LONDON	IL 3691	2130	5366	2970
PARIS	3346	2020	5007	2810
VIENNA, ZURICH and MUNICH	3244	1935	4704	2680
ROME	2890	1745	4170	2495
NEW YORK	5831	3460	8574	4985
JOHANNESBURG	5554	3055	7806	4310

The above are all off-season (winter fares). Spring and peak summer fares will be 25 per cent higher.

FREIGHT CHARGES TO RISE SHARPLY

By YAACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — Devaluation has raised the maritime freight charges for Israel's foreign trade by IL430m. annually, as freight bills are calculated in dollars and paid in pounds. The total annual freight bill is around IL1b., Aryeh Mehulal, secretary of the Shippers' Council, told *The Jerusalem Post*. Nearly 70 per cent of the freight bill goes for imports.

Yesterday, importers did not clear any goods from Haifa port, though Customs House was open for business and had the new list of customs duties ready. Importers were still busy calculating the extra duties they will have to pay on goods cleared through the customs on Friday but which they had not yet taken out of the port. In addition, as the banks were closed they were unable to get the necessary credit documents.

The Customs authorities expect clearing to resume this morning, but according to Mr. Mehulal the importers "will be in no hurry."

He said that during the past two months demand for durable goods had already dropped and importers still had large quantities stored in the port and in bonded warehouses, which would now be even more difficult to sell. "The importers will also have to very carefully reconsider further orders for imports from abroad," he said.

Devaluation also put seamen in a higher tax bracket, as they get about a third of their salary in foreign currency, for which they will now get more pounds. The Marine Officers Union immediately stated: "We shall not allow our wages to be touched. We consider the foreign currency as expense money for stays in foreign ports, and expenses paid to employees on shore in Israel are also tax exempt." If the Treasury would insist anyway, they would demand that the shipping companies bear the extra taxes.

Egged, Dan: Costs up by IL100m.

Jerusalem Post Reporter

Egged and Dan yesterday set a joint meeting of their secretariats for today to decide on what steps to take in view of the rise in operating costs resulting from the government's new economic measures.

According to estimates by the two cooperatives' economists, by next month expenses will have risen by IL100m. over February 1974, the last time fares were raised. Both cooperatives plan to meet this week with the Finance and Transport Ministers. Each is claiming there has been a drop in the number of passengers since the last fare-rise.

Railways will raise fares

By YAACOV ARDON
Jerusalem Post Reporter

HAIFA. — Devaluation is hitting Israel's railways in double fashion: Only half of this year's $2.5 million re-equipment orders have so far been delivered. On the rest the new exchange rate will have to be paid. The railways will suffer from the rise in fuel prices. The railroad consumes IL4m. of fuel per year at the existing rate.

Commercial Manager Ernst Inbal said yesterday that the railways asked approval for an increase of the freight tariffs by 15 per cent two months ago, but the demand had not yet been examined by the Government. Devaluation will now force a rise. Mr. Inbal said that after the last rise in petrol prices passenger traffic went down, as it did in bus traffic. "People simply travel less," he said.

Telephone, postage fees unchanged

Jerusalem Post Reporter

Telephone, postage and other Communications Ministry fees will probably remain unchanged at least until tomorrow.

This became evident last night as the hours wore on and Ministry officials were still not called before the Knesset Finance Committee to lay before it a proposed new rate schedule.

Many post offices sold out their complete stocks of telephone tokens yesterday, while others rationed them. However, *The Jerusalem Post* learned from a Ministry source that higher rates would probably be asked only for international services — telephone, posts, telex and cables.

Car allowances will rise

Workers who receive car allowances from their employers will probably have to absorb part of the higher costs. (The Government's policy usually sets the pace for the rest of the economy.)

A Civil Service Commission source told *The Jerusalem Post* last night that works committees have already approached the Commission on the car allowance increase. Though no kilometrage figure has been decided upon, it appears likely workers would be asked to assume approximately 25 per cent of the higher expenses of operating their automobiles. The petrol price increase announced Saturday night was 65 per cent.

Scientists score anti-Israel move in Unesco

Jerusalem Post Staff

The President of the Israel Academy of Sciences in Jerusalem, Professor Arye Dvoretzky, yesterday sent a strongly worded protest to Unesco director-general René Maheu over the U.N. body's Arab-inspired decision to cut off its funds to Israel.

Saying that the Academy registered the "strongest protest against the politicization of Unesco," Prof. Dvoretzky noted that the Arab charges against Israel (concerning archaeological digs in Jerusalem) are known to be groundless by all connected with education and culture, and have been termed so by experts sent to report by Mr. Maheu.

"The Israel Academy calls upon Unesco members actively to oppose final adoption of resolutions against Israel prompted only by malice," Prof. Dvoretzky said. He warned that if adopted, these resolutions "will mark the decline and eventual fall of Unesco."

Weizmann I. elects new board members

REHOVOT. — The Weizmann Institute has announced the names of eight men elected to its board of governors last week. Four new overseas members are: Prof. B. Benacerraf of Harvard University; Prof. Henry Kaplan, Stanford University; Prof. Stanislaw Ulam, University of Colorado; and James Kay, a Toronto businessman. Israeli *businessmen and industrialists elected* to the board and the institute's executive were Meir De Shalit, Mordechai Makleff, Haim Herzog and Zvi Zur.

Swedish Education Minister here

B-G AIRPORT. — Swedish Education Minister Bertil Zachirson arrived here yesterday for an official three-day visit. He told newsmen the trip was devoted to examining immigration absorption methods at local universities.

Central, northern areas may get rain

Jerusalem Post Reporter

BEIT DAGON. — Rain is forecast for the central and northern parts of the country tonight. There also will be a slight drop in the daytime temperatures (low 20s in the coastal region).

The forecaster explained that the possible rain is due to a depression, still hovering over Rhodes last evening and reported to be slowly headed towards the country. It is expected to reach the Israeli coastline during the late afternoon or evening hours.

Interior requests legal opinion on possible action against Eilat mayor

Jerusalem Post Staff

The Director General of the Interior Ministry, Haim Kubersky, has asked the Attorney-General for a legal opinion on whether steps can be taken against Eilat Mayor, Gad Katz, and his predecessor, Asher Azar, for their part in the Eilat Municipality's financial imbroglio with financier Avner Tomer.

Mr. Kubersky, in asking for the opinion, yesterday submitted a copy of the report made by the Interior Ministry committee sent to Eilat last week to investigate the Municipality's dealings with Tomer. A copy of the report was also submitted to the Inspector-General of the Israel Police.

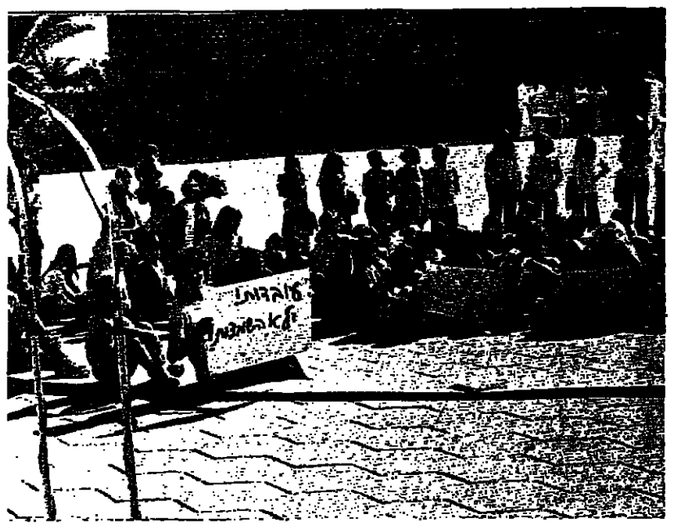
The Tomer affair came to light at the beginning of last week when the financier claimed at a press conference in Tel Aviv that he held promissory notes for IL11.6m., he said he had loaned the Eilat Municipality. Eilat Mayor Gad Katz immediately denied this, and at the suggestion of the Interior Ministry investigating committee, called in the police to open investigations against Tomer on suspicion of fraud.

Also at the advice of the investigating committee, the Eilat Municipality last week sued Tomer for IL660,000 which it alleged Tomer had received by fraud. Following this, a receiver was appointed to take over Tomer's interests, and the financier was forbidden to leave the country.

In the Tel Aviv District Court yesterday, Tomer requested that the receiver be dismissed. This was rejected by Judge Shlomo Lowenberg, who upheld a request by the receiver, Yosef Perek, that an accountant be appointed to draw up an account of Tomer's finances.

Mr. Perek told the Court that he had tried to trace Tomer's finances in several banks, but he had not yet received their reports. He added that Tomer had told him that neither he nor his companies have any money deposited in banks — and neither do they hold any immovable properties.

According to the receiver, Tomer told him that he had a 50 per cent share in the American Road House and the Yahav Insurance Company.



Eilat schoolchildren demonstrating on behalf of embattled Mayor Gad Katz, held responsible for the town's current financial difficulties.

and that he also has shares in Eilat's Queen of Sheba Hotel.

Called to the stand, Tomer told the Court that the only immovable property he owned was the Queen of Sheba Hotel — which is currently in the hands of a trustee pending a legal suit between the financier and former shareholders. Judge Lowenberg, on the basis of Tomer's testimony, ruled that he did not, in fact, own any property that could be seized.

In his own appeal, Tomer claimed that the Eilat Municipality was concealing important facts about its transactions with him. He said he had dealings totalling IL12.6m. with the Municipality, which had received all the money from him. The financier strongly denied that he had extorted promissory notes from the Municipality by fraud, or that he owed it any money. On the contrary, he claimed, the Eilat Municipality *owed him large sums.* *(Itim)*

Kibbutz man killed on Haifa highway

TEL AVIV. — A 60-year-old member of Kibbutz Givat Haim (Ihud) was killed yesterday when his car left the road and hit a telephone pole about 10 kms. outside Tel Aviv on the Haifa highway. Police are investigating.

David Medina, 16, of Acre, died in the Rambam Hospital yesterday of injuries he received about 10 days ago, when a truck went into the motor-scooter he was riding in Haifa's Hakrayot area. *(Itim)*

MAYORS CHASE RABINOWITZ

Debt-ridden cities now more desperate than ever

Jerusalem Post Staff

TEL AVIV. — Mayor Shlomo Lahat has asked for an urgent meeting with the man he defeated in the race for the Tel Aviv mayoralty — now Finance Minister Yehoshua Rabinowitz — to ask him for money.

Mayor Lahat will try to impress upon Tel Aviv's former mayor that the city may be financially paralysed if more is not forthcoming. He notes that he has received only about half the IL40m. the Government was to have allocated Tel Aviv. This leaves the city no option but to seek private loans, which with the tight credit situation are hard to obtain.

Also seeking a meeting with Mr. Rabinowitz is the head of the Union of Local Authorities, Holon Mayor Pinhas Eylon. After trying unsuccessfully to fix a meeting for some time, he yesterday sent an urgent telegramme demanding that the Minister meet with him on "the dire economic plight of the cities."

Unless something is done about the problem, he warned "there will be many more Eilats." (Eilat is going through a severe economic crisis following the revelation of a series of controversial transactions with financier Avner Tomer.)

Mr. Eylon said the devaluation will hit the cities hard, further increasing their massive cumulative deficit of IL450m. — possibly by as much as another IL300m.

The cities will not only be hit by the higher cost of the equipment they import from abroad, he said, but also by all the other measures, since like anyone else they too use petrol, for example. Little of the IL150m. promised the cities had actually been received, Mr. Eylon added.

In Haifa, Deputy Mayor Yeruham Zeisel calculated yesterday that the city's deficit, set at about IL50m. of the current IL280m. budget, would now grow to IL75m. This was without the extra cost of the higher payroll, which he said would make itself felt only later on.

The local authorities would not be able to bear the extra cost unaided, he said, adding that one aspect which caused him concern was the slum clearance scheme, for which the Government had pledged certain contributions.

Immigrants due to pay travel tax

Jerusalem Post Knesset Reporter

IMMIGRANTS WILL no longer enjoy the same amount of exemption from the travel tax during their first three years in the country, under a Treasury proposal approved by the Knesset Finance Committee yesterday.

Barring a possible reversal tomorrow when the Finance Committee continues discussing the entire 56 different categories of full and partial exemptions, newcomers would be exempt from the fixed-sum part of the tax, but would have to pay the 15 per cent on the actual price of the ticket.

In 1973, some 14,000 new immigrants enjoyed the exemption, the largest category.

A row broke out when the Finance Committee came to the second category, the 12,000 employees of transportation companies like El Al and Zim, who got exemptions in 1973.

A majority of the Committee came out clearly in favour of abolishing the exemption, at least in part. Finance Minister Yehoshua Rabinowitz with great difficulty persuaded the Committee not to force the issue at the present time "or else I will wake up this morning with a strike on my hands," since the free tickets are part of the labour contract. Chairman Israel Kargman got the Committte to agree to postpone a decision until tomorrow.

The exemptions cover such cases as students at college abroad, relatives going to funerals and widows going for *halitza* from their late husbands' brothers.

The Finance Committee session opened with a survey of the new economic measures by Mr. Rabinowitz.

Chairman Kargman said in the discussion that the cost of living increment should be paid in bonds and not in cash, except for low-income families. He said currency exchange rates should be adjusted more often in the future, as the need arose. He criticized the Histadrut for lacking a correct understanding of priorities.

Opposition speakers concentrated their criticism more on the fact that the measures came too late — rather than on their adequacy or inadequacy.

BARAM PLEADS GUILTY

Jerusalem Post Reporter

Labour Minister Moshe Baram said yesterday that increased productivity would be the key to the success of the new economic plan, but this was difficult to attain in Israel, where the economy is so top-heavy with service workers in relation to production workers.

"Absenteeism rather than strikes is the main enemy of productivity in this country, and I admit that I am partly responsible for that."

He explained that while secretary of the Jerusalem Labour Council several years ago, he was instrumental in achieving a very liberal sick pay arrangement for employees of the Jewish Agency. That arrangement, which was soon granted to all other workers, gave an absent worker not only his regular pay but a tax-free National Insurance *payment as well.*

"Admittedly, this leads to malingering," Mr. Baram continued. "And, ironically, Israel is probably the only country in the world where a worker who stays home for a day or two earns more than if he came into work."

Farmers say new prices don't meet costs

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — The subsidies for agricultural products, which were abolished entirely under the new economic steps taken by the Government, will probably have to be reinstated in a couple of weeks, because the price farmers pay for fodder has risen from IL730 to IL1,200 to IL1,400 per ton. The rise in electricity, water and fuel costs will also affect farmers' costs.

The Agriculture Ministry's economic management committee is studying the impact which devaluation and the Government's economic programme will have on farmers. This committee will also decide the final price that the farmers will be paid for their produce. These prices will be retroactive to yesterday, and in some cases even for periods before the devaluation. This means that there might be some branches, like poultry, eggs and milk, which will again carry a subsidy.

Mr. Peretz Ben Yehoshua, a dairy farmer from Beer Tuvia and a member of the Dairy Farmers Marketing Board, told *The Jerusalem Post* yesterday that true price *of milk is about IL2.10* per litre, which means that the milk will either have to be subsidized by 50 agorot per litre, or that the consumer price will have to be higher than the stipulated IL1.60.

The Spokesman of the Ministry of Agriculture, Yigael Drucker, said that the "low-price" programme of *vegetable, fruits,* poultry and fish will continue. The prices of fruits and vegetables have not gone up this week. The retail price of tomatoes is IL1.40 at chain stores participating in the low price campaign; carrots IL1.15; delicious apples IL3.05 and bananas IL3.00. Carp has gone up from IL6.50 to IL9 a kilo. Chicken ready for pot cost IL7.20 last week and IL8.50 this week. Frozen chicken rose *from IL8.50 to IL9.50* per kilo; turkey from IL7.20 to IL8.50.

KIRYAT SHMONA residents will have their tax-free income increased from IL1,000 to IL2,000 per month. The Finance Ministry has also granted them partial tax exemption on home air-conditioners, for which they will now only have to pay tax on the price beyond IL1,000.

Cabinet says high school students may join Guard

Jerusalem Post Reporter

Twelfth-grade high school students will be encouraged to volunteer for service with the Civil Guard in a new project to be coordinated between the Gadna Youth Corps, the Education Ministry, the parents' and pupils' representative *bodies, and the Police.*

The project will be officially launched as soon as possible, the Cabinet decided at its weekly session yesterday. This is expected to be in a few weeks.

Parents who do not agree to their children taking part will be asked to submit their refusal in writing. The secretariat of the National Parents Committee has approved the project, originally requested by pupils' bodies in a number of towns.

Most of the 12th graders will get their basic training within the Gadna framework. The Police will also supply more advanced instruction.

From the legal point of view, the pupils will have the same rights and duties as members of the Civil Guard, and be covered by the same insurance arrangements. They will be assigned to duty for four-hour stretches, once a week or a fortnight, as the need arises in their neighbourhood or near their school. They will be assigned along with adult volunteers. Girl pupils will be able to volunteer on the same basis as boys.

The pupils will go on duty with weapons, after they have received all necessary training. But unlike adults, in certain cases they will return the weapons after duty.

Headgear, badges and armbands will be issued and each pupil will carry a special identification card. Each will take an oath before serving in the Civil Guard.

Before exam time, pupils will get a lighter load of duty.

When the issue first came before the Cabinet last month, Ministers differed among themselves as to whether the service should be in a compulsory or a voluntary framework.

Finally the view prevailed that since adult service in the Civil Guard — which would be the overall framework — was now voluntary, the pupils' service could not be compulsory.

TERROR SURVIVOR Yosef Shitreet, who lost his wife and three of his children in the terrorist attack on Kiryat Shmona last April, has been invited together with his sole surviving daughter, Iris, 11, to be the guests of friends and Jewish organizations in Southern France. El Al has provided free tickets for the return trip.

El Al foremen give 12 days to Army

BEN-GURION AIRPORT. — El Al's technical foremen have volunteered to do 12 days of reserve service over and above the amount they normally put in servicing army vehicles and other equipment.

The committee representing the more than 100 foremen said on Friday that they took the step because of the defence situation and the *army's manpower problems.* Six of the 12 days will come out of their regular vacation, and El Al will bear the cost of the remaining six. *(Itim)*

Double celebration for Weisgal's 80th birthday

Jerusalem Post Reporter

The 80th birthday of Meyer Weisgal, founder and first president of the Weizmann Institute in Rehovot, was observed twice yesterday, by a reception given by President Katzir at his residence in Jerusalem, and at an informal gathering of Institute scientists on the lawn near Mr. Weisgal's house.

The speakers at the President's house were all long-time friends and associates of Mr. Weisgal: David Horowitz, former Governor of the Bank of Israel, who reminisced about political cooperation with Weisgal; Dr. Israel Goldstein, who recalled how Weisgal had created the Palestine Pavilion at the New York Exhibition in 1939; Mayor Teddy Kollek *of Jerusalem, who* said that when it had seemed Weisgal was retiring from the Institute he had planned to bring him to Jerusalem as a culture czar, and the fact that he had elected to remain in Rehovot had become Jerusalem's loss. The speakers also paid tribute to Weisgal's wife, Shirley, for her faith and support at all times.

President Katzir affectionately recalled his own early days at the Institute. Mr. Weisgal, he said, had summoned the scientists from time to time to announce that he was about to go on a fund-raising trip, telling them, "When I am there I shall tell the most terrible lies about the wonderful things you are all doing — but on one condition. By the time I come back you must have made all those lies come true."

MEYER WEISGAL

Mr. Weisgal was the last speaker, thanking the President and Mrs. Katzir for their gift of a large cartoon depicting the stages of his activities. All his family was present, he said, and many of his friends. He thanked all for their speeches and the praise lavished on him "which I do not think was exaggerated, or not more than the nose in the picture."

The many guests included the U.S. and British Ambassadors and their wives.

Edna Jisser *André Degon*
celebrated their marriage in Paris
October, 1974

On the first anniversary of the death
on active service of our beloved
YOCHANAN COMAY
a memorial service will be held at the Haifa Military Cemetery on Thursday, November 14, 1974, at 3 p.m.
THE FAMILY

הוכנו מן הארכיון

Import ban unclear to dealers

CAR PRICES SOAR

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — Car prices soared yesterday, with rises ranging from an additional IL10,000 for the small 1,000 cc. automobile to more than IL45,000 for American "heavyweights." The Automobile Importers Association has called an emergency meeting this afternoon, its president, Arye Carasso, said yesterday.

He added that he did not know exactly which cars were affected in the Government's six-month freeze on automobile imports, since the importers have orders for another three to six months and truck orders for a year from now. "I think it would be improper to cancel orders already made with foreign firms," he said.

Israel Kass, head of the Volvo and Daf Import Agency, said he feared European countries would retaliate if Israel did not exclude already ordered cars from the freeze. "Our best seller, the 244 automatic Volvo, has gone up from IL70,000 to IL83,000," he noted.

"What really makes me mad is that 38 disabled war veterans, who were about to receive their special cars, will have to pay an extra IL8,000 because of foot-dragging at customs last week. Customs started running in a new computer last week which caused severe bottlenecks," Kass said.

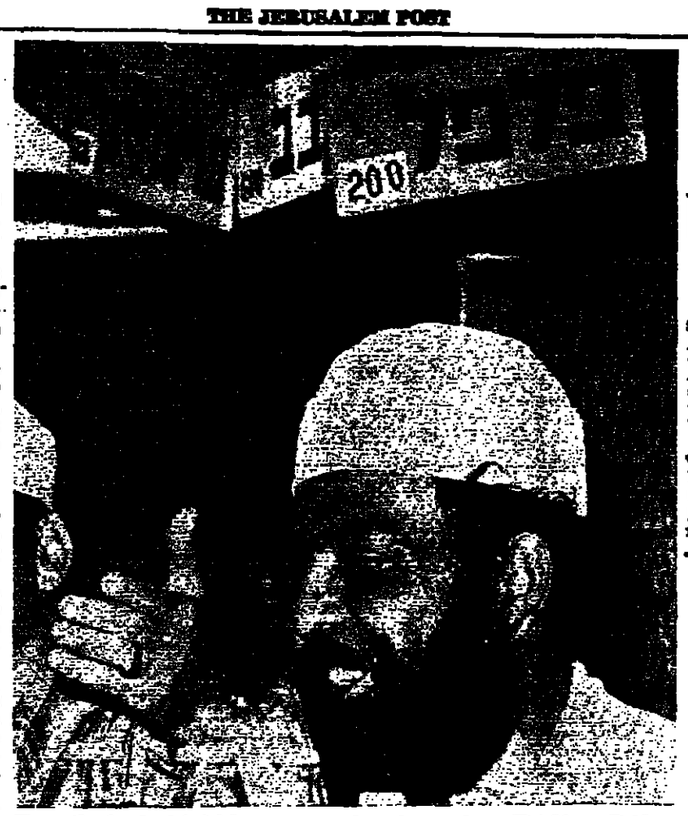
An automobile importer who did not want his name printed feared there would be a 40 per cent drop in sales because of higher car prices and increased fuel costs.

Yeshayahu Goldin, of Automotive Equipment Ltd., said the Simca 1000 was selling last week for IL30,000, but will be going up to about IL41,000. The American Plymouth Valiant, which was selling for IL90,000 will now go for about IL130,000.

(Dealers could not specifically translate the pound's new value into car prices as the amount of customs to be paid was unclear.)

There was hardly any business in most of the used car lots. One salesman feared it was going to be a "buyers" market with many persons trying to sell their cars without buying another one.

But the president of the Used Car Dealers Association, Ephraim Mor, was optimistic: "I am sure we will not have any problems selling used cars in the 1,000-1,600 cc. field. Larger cars will be a problem. Our boom will start when the effects of the import freeze are felt."



Even the lowly falafel has gone up in price — from IL1.80 on Friday to IL2.00 yesterday. (Israel Sun)

What's happening with the black market dollar

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — The black market dollar (in $100 banknotes) rose to IL6.20 yesterday in Lilienblum street. According to one prominent dealer, it might rise to IL6.50, and possibly even to IL7.00, but it was much too early in the devaluation to make a firm prediction.

Lilienblum Street dealers explain that the price will always be above the official price, as long as foreign currency restrictions are in effect, since there always will be persons wanting to buy restricted currencies. Moreover, there are many businessmen who prefer dealing in Lilienblum (in its widest sense) because they can keep their unrecorded transactions secret.

Other prices yesterday were: DM, IL2.30; Swiss franc, IL2.00; and a kilogram of gold, IL33,000. All these prices are what is known as "dealer prices," or what one dealer will charge another when his colleague has run short of "goods." Sellers get less; buyers more.

According to reports in Lilienblum Street, one large financial firm received a tip that devaluation would take place over the weekend, and quietly bought up $500,000 at IL5.60. Moreover, several Arab dealers from East Jerusalem also evidently knew, and they picked up dollars from Tel Aviv diamond dealers on Friday at IL5.80. All of these made a considerable sum over the weekend. However, there also were persons who lost money, primarily tourists who needed Israeli pounds to go shopping yesterday. Since the banks were closed, they had to "dump" their dollars for as low as IL5.50 to IL5.30.

The devaluation had a dramatic effect on the three-piece 25th anniversary memorial set. Going for IL4,800 on Friday, yesterday it was hard to buy a set at IL6,300. The Ben-Gurion gold coin (yet to be distributed) went for IL3,000 yesterday.

Israel-America Society to work in 'grass roots'

Jerusalem Post Reporter

TEL AVIV. — The Israel-America Friendship Society intends to intensify its activities in the U.S. by concentrating more on the "grass roots" areas, Arye Dulzin, newly-elected president, said yesterday. Plans call for the establishment of "friendship circles" in the U.S., particularly in outlying places, as well as among professional and other societies.

Mr. Dulzin pointed out that it was not enough that the American people showed a deep sympathy for Israel — for such sympathy could vanish under changing political situations. He said it was necessary to give the American people an understanding of Israel's aims and purposes, as well as the realization that just as Israel needs the U.S., the U.S. needed Israel as a foremost example of democracy. Moreover, he said, the American people must be wholly convinced that the Jewish people had an inalienable right to "Eretz Israel," just as much as every person had an inalienable right to freedom.

1,000 for B'nai B'rith parley

Jerusalem Post Reporter

TEL AVIV. — Over a thousand delegates are expected for the B'nai B'rith world convention due to open in Jerusalem on Thursday — David Blumberg, president of the organization, told newsmen here yesterday.

Mr. Blumberg said that he did not believe the U.S. would change its position on the Palestine issue, and noted that the visas issued to the Palestine Liberation Organization (PLO) delegates to the UN General Assembly had been restricted to the Manhattan area, in response to a legal appeal by the B'nai B'rith's Anti-Defamation League.

The convention — which was due to have taken place in London, but had its venue changed to protest Britain's attitude during the Yom Kippur War — will discuss plans for a financial drive to help Israel, the promotion of immigration and the opening of a liaison office in Israel, Mr. Blumberg said.

Former Prime Minister Golda Meir will address the convention's opening session in Jerusalem's Binyanei Ha'ooma on Thursday. Sessions will continue until next Wednesday.

Rates frozen — at the moment

Devaluation 'severe blow' to hotel industry

By GEORGE LEONOF
Jerusalem Post Tourism Correspondent

Members of the Israel Hotels Association went into an urgent session in Tel Aviv last night to discuss the situation created by rocketing prices, as the government cautioned hoteliers against any unilateral increases in hotel rates.

The warning came in the form of a laconic release to the press by the Ministry for Tourism in the afternoon, stating, "Hotel rates as published in the Hotels Price List for 1974-5 and quoted in Israel pounds will remain in force until further notice."

Ministry sources said the announcement was a "holding action" to prevent arbitrary changes in the rates by the hotels, jointly or separately. They pointed out that the words "until further notice" indicated recognition of the need for a revision of the rates.

Hotel sources yesterday said that, whatever the changes, the new price levels constituted another severe blow to Israel's tourist industry in the increasingly competitive world market. The higher dollar rate comes nowhere near compensating hotels for the vertical takeoff of food and utilities costs, the sources said. One of the points to have been discussed last night was to be the level of incentive payments to tourist hotels.

Hotels at present get an additional IL1.10 for every dollar earned, but the national chairman of the Association, Yitzhak Bloch, said yesterday that they would press for a higher incentive rate. It was pointed out that the price hike has hit the hotels as they stood on the threshold of the winter season, when heating and lighting costs usually take a sharp swing upward. This winter these components will represent an abnormally high added operational expense.

Most hotel operators seem to agree with the view of one Jerusalem hotelier that a certain lowering of hotel standards was inevitable, including personnel reductions.

Haim Schiff of Jerusalem's Diplomat Hotel told *The Jerusalem Post* that he was in "a state of despair" over the measures announced by the government. "First I stayed awake Saturday night waiting for the expected announcement of the decisions," he said. "After I heard it at 2.30 a.m., there was no longer any question of sleep."

'Immigrants will have to adjust'

By JUDY SIEGEL
Jerusalem Post Reporter

Immigration and absorption will undoubtedly be affected by devaluation of the Israel pound, but government sources said yesterday they don't yet know how.

The consequences of the government's economic measures on the Jewish Agency will be the main topic for discussion at the weekly Agency Executive meeting in Jerusalem today.

Uzi Narkiss, head of the Department of Immigration and Absorption, told *The Jerusalem Post* that "we'll explain to potential immigrants that they'll have to adjust to the economic conditions in Israel, and we'll tell the government that they should be more flexible in aiding their absorption."

Mr. Narkiss added that the higher value of the dollar in comparison with the Israeli pound might initially make Israel more attractive to American immigrants, but that the price hikes would have a negative effect.

Absorption Minister Shlomo Rosen, who abstained from the Cabinet vote on devaluation along with Health Minister Victor Shemtov, said early yesterday morning that if unemployment and recession are the result, the devaluation is liable to reduce immigration.

The devaluation may actually save the Jewish Agency about IL200-250m. until the end of the budgetary year, according to Treasurer Arye Dulzin, because its income is in dollars and its expenditures in Israeli pounds.

בעח
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T.D.L. Ltd. 23 Rehov Shamai, Jerusalem Tel.225850

Canadian D.M. ends Israel visit

Jerusalem Post Reporter

TEL AVIV. — Canadian Defence Minister James A. Richardson believes that the UN contingent serving on the Syrian-Israeli border will remain at its post "because everybody seems to like it." He was speaking to the press at the Plaza Hotel here yesterday, at the end of his visit to the Canadian troops stationed with UN emergency forces in Egypt, Syria and Israel.

There are about 1,000 Canadian troops in the UN contingent in Egypt, 29 in Syria and about 170 in Israel, as well as 900 in Cyprus.

Mr. Richardson refused to give an opinion on Syria's claim that Kuneitra had been ruined by acts of war or deliberately demolished. "It is not for an amateur, passing through the town in a car, to pass judgement," he said.

The Minister conferred here with Defence Minister Shimon Peres.

Norway still in lead at bridge event

By GEORGE E. LEVINREW
Jerusalem Post Bridge Correspondent

HERZLIYA. — Norway continued to lead the field in a close fight after the 13th round Saturday evening in the open series of the European Bridge Championships. Israel won its game against Finland 17-3.

In the seventh round Ladies' Series Italy has an almost insurmountable lead. Israel beat Great Britain 18-2.

Results of the 13th round, Open series
Israel—Finland 17—3; Denmark—France 13—7; Turkey—Switzerland 12—8; Portugal—Sweden 12—8; Great Britain—Spain 20—minus 3; Norway—Austria 15—8; Iceland—Ireland 16—4; Netherlands—Belgium 13—7; Yugoslavia—Italy 15—5; Germany Bye 12.

Results of the seventh round Ladies' Series
Italy—Denmark 15-5; Ireland—Netherlands 16—4; Switzerland—Belgium 19—1; Germany—Greece 18—2; Israel—Great Britain 18—2; Sweden—Norway 20—0; Spain—France 14—6.

Standings Open Series after 13 rounds

1.	Norway	187
2.	France	181
3.	Sweden	179
4.	Italy	173
5.	Switzerland	172
6.	Portugal	154
7.	Israel	148
8.	Great Britain	141
9.	Turkey	138
10.	Denmark	127
11.	Netherlands	126
12.	Belgium	118
13.	Yugoslavia	108
14.	Iceland	97
15.	Austria	92
16.	Ireland	83
17.	Finland	75
18.	Germany	73
19.	Spain	61

Results of the Ladies' Series after 7 rounds

1.	Italy	115
2.	Switzerland	96
3.	Spain	93
4.	Ireland	83
5.	Sweden	75
6.	France	74
7.	Greece	62
8.	Israel	59
9.	Denmark	56
10.	Netherlands	55
11.	Great Britain	50
12.	Belgium	49
13.	Germany	48
14.	Norway	39

There were no games yesterday. There will be six more rounds, two each on Monday, Tuesday and Wednesday.

Aliya activist tries to settle in Belgium

Jerusalem Post Staff

TEL AVIV. — Yosef Kazakov, one of the first and most daring of Soviet Jewish *aliya* activists, has left the country for Belgium after three and a half fruitless years of seeking work in his field.

Kazakov, 52, who is a transport (railways) engineer, was one of nine Jews who in 1969 sent the Politburo a letter asking to go to Israel. His older son Yasha, who was allowed to go to Israel in 1968, attracted world attention in 1970 by hunger-striking in front of the UN building in New York for his family's right to leave.

Now Yosef Kazakov, who left Israel six weeks ago, is staying with relatives in Brussels while he looks for work. With him is his younger son, a medical student, who while disapproving the move has gone along for a short time to look after his father's diabetes.

Friends of the family told *The Jerusalem Post* that the departure has torn the family apart. Mrs. Kazakov and her daughter Vera, 16, refused to join Yosef, and Yasha Kazakov is also against his father's move.

Kazakov has been out of work for two of his three and a half years here. When no work could be found in his field, he was taken on as a foreman in Haifa port, but was later fired. Some time later he was given a job, but nothing much to do, at the Zim offices, and was again fired.

He also had trouble with the absorption authorities, who took him to court when he refused to house his mother in the Haifa apartment they had assigned him. The case was dropped when he gave in.

THE BEN-GURION University in Beersheba commenced its academic year yesterday with a student body of 3,800, including 1,100 new students.

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MK demands suspension of Mekorot director

Jerusalem Post Reporter

TEL AVIV. — Shmuel Tamir, chairman of the Knesset's Economic Committee, yesterday demanded the immediate suspension of Mekorot's managing director, Ze'ev Kariv.

In a strongly worded letter addressed to Finance Minister Yehoshua Rabinowitz and Agriculture Minister Aharon Uzan, he noted that following two years of investigations, involving the assistance of the State Comptroller, the police, the Attorney General and others, Mr. Kariv had been indicted on charges of fraud, falsification of accounts and abuse of trust. If found guilty, Kariv would be subject to a maximum sentence of up to five years' imprisonment, he said.

Mr. Tamir said that these charges, involving sums estimated at tens of millions of Israeli pounds — all public property — were related to Mr. Kariv's activities in Wered (Water Resources Development), an affiliate company of Mekorot.

At a meeting last Thursday, the Mekorot board of directors resolved by a large majority to retain Mr. Kariv, ignoring a 'hint" from the Attorney General that he should be suspended because of the indictment.

In his letter, Mr. Tamir stated that in view of Mekorot's expansion plans involving IL1.25m., as announced at a recent press conference, Kariv's remaining in office would be a flagrant violation of all basic conceptions of public administration.

Mr. Tamir said that although he did not know Kariv personally, it was intolerable that special treatment should be meted out to "special people," citing examples in which Government officials had been suspended for minor misappropriations until they were either cleared or indicted.

2 Europeans honoured by Yad Vashem

Jerusalem Post Reporter

A Rumanian army captain and a Polish actress were honoured by Yad Vashem yesterday for saving Jews during World War II.

Czernowitz prosecutor Dr. Simion Hij and his wife Metzia hid and protected several Jewish families at the risk of their own lives. As a captain in the Rumanian army Dr. Hij several times entered the Czernowitz ghetto to warn his Jewish friends of Gestapo raids. He and his wife are here now as the guests of some of the Jews they saved.

Before the war Barbara Renska was an actress at the Polish National Theatre in Warsaw. During the German occupation she and her husband Waclaw Zagorski joined the underground and hid many Jews who escaped from the Warsaw ghetto. She continued this work even after the Gestapo started searching for her husband.

Barbara Renska is now a director at the Polish Theatre in London.

RABINOWITZ EXPLAINS

(Continued from Page one)

check stocks, and make sure the new levies are paid. Importers who have paid duty but not yet cleared their goods from port will have to add the difference. Those whose goods were purchased at the old exchange rate will be charged a special tax of 43 per cent (representing the size of the devaluation).

The Minister and the senior Treasury officials present were asked repeatedly whether all classes of society are contributing their bit. Mr. Rabinowitz drew attention to the new taxes on capital and capital gains. One of his officials pointed out that deflation cuts profits anyway. The Commissioner of Internal Revenue, Moshe Neudorfer, stated that the top one-tenth in the income scale pay half the country's income tax.

Compared with an employed person getting a monthly wage of IL1,000, a person earning IL5,000 gross (or five times as much) receives only 2.7 times as much after tax, he said. A well-to-do individual earning IL10,000 gross (or ten times as much as the small wage-earner) is left with 3.55 times as much after tax. Anyone earning IL20,000 a month (or 20 times as much), is left with 4.75 times as much after tax.

One correspondent wanted to know why owners of index-linked bonds are not affected (though their holdings will go up in value by the full 17 per cent). The Accountant-General, Haim Stoessl, observed that of the IL60b. of linked Government loans, approximately IL11b. is compulsory loans (belonging to the entire gainfully employed population), another IL11b. belongs to the pension funds, and IL5b. to the savings funds. Only IL2b.-IL3b. belongs to private bond purchasers, he said. As the sale of bonds has sagged recently, and it is vital to encourage savings, the Government has no intention of betraying its linkage commitment.

In all, the devaluation has put up the national debt by IL2b. (to IL42b.) — of which IL5.5b. relates to foreign-currency or dollar-linked obligations, and IL3.5b. to index-linked obligations, Mr. Stoessl said.

Addressing pressmen in the Bank of Israel yesterday morning, Dr. Zvi Sussman, head of research, emphasized two key problems on which the success of the devaluation hinges. First, it is important that overall demand be cut, which is what the price increase is supposed to do. New money should not be pumped into circulation, otherwise the public will go on buying as many goods and services as before.

Accordingly the credit squeeze will continue — and the volume of investments must be cut. "Capital has increased in recent years more than output, so there is existing spare capacity to be utilized," he said.

Second, if credit remains frozen, some of the employers cannot afford to pay a full C-o-L allowance. Should the Histadrut insist on the full rate (including compensation for higher import costs, though the employers get no benefit from this), then some firms will shut down, creating unemployment.

Dr. Sussman suggests that the 17 per cent price rise caused by the emergency programme be deducted from the C-o-L allowance in two phases. Five per cent should be reduced from the index figure in January, and 12 per cent in July.

Flats may be priced out of sight

Jerusalem Post Reporter

TEL AVIV. — The head of the Contractors and Builders Federation, David Stern, yesterday predicted a 16 or 17 per cent increase in the price of apartments, due to more expensive materials and possibly higher labour costs.

Noting that further increases in the price of apartments would make them prohibitively expensive, Mr. Stern said he feared a recession in the building industry. Over the past two years, he said, private contractors have already had to cut back their activity by 43 per cent — 24 of that in the past year.

Building companies such as Shikun Ovdim and Rubinstein said yesterday they had not yet been able to assess the impact of the new economic measures on the industry.

But they noted that increases in building costs caused by the devaluation will in most instances be borne by the flat-buyer. This was because most contractors — especially the larger companies — insist in their contracts with buyers on clauses that link costs to the building index.

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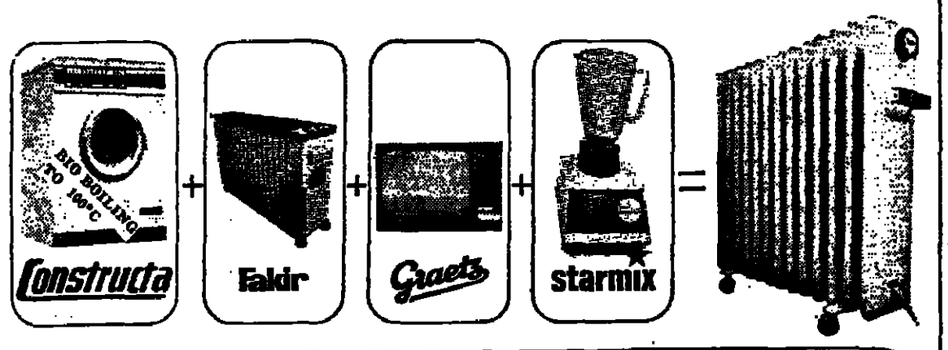

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Jailed Soviet historian says he'll kill self if not freed

MOSCOW (Reuter). — An imprisoned Soviet historian said yesterday that he had been effectively sentenced to death by the Soviet authorities' refusal to transfer him from prison to a labour camp.

The historian, Valentin Moroz, 38, is now in the fifth month of a hunger strike in Vladimir Jail, east of Moscow, in an attempt to secure his transfer.

His wife Raisa said in an open letter to Western leaders yesterday that if he did not get out of jail by the new year he would find a way to end his life.

Mrs. Moroz said that when she visited her husband in jail five days ago he was "frighteningly emaciated."

In her letter, addressed to President Ford, Canadian Prime Minister Pierre Trudeau and West German Chancellor Helmut Schmidt, Mrs. Moroz said prison authorities had told her husband he would not be transferred whether or not he continued his fast.

"It is the same as a death sentence," she wrote.

Mr. Moroz was sentenced in 1970 to a 14-year term — six in jail, four in camp and four in exile — on charges of anti-Soviet agitation and Ukrainian nationalism.

Mrs. Moroz was summoned to Vladimir Jail on November 5, to try to persuade her husband to abandon his hunger strike.

In her letter, Mrs. Moroz said that he had lost 20 kilos during the fast, and now weighed only 52 kilos although he was 1.75 metres tall.

"His face is swollen and he complains of heart pains," she said. "But the greatest torture he suffers is the instrument with which they force-feed him once a day. To save his life, he must be placed in a hospital immediately and given long and thorough treatment," she said.

Anarchist dies in German jail

MAINZ, Germany (AP). — A member of the anarchist Baader-Meinhof gang died in prison Saturday after a nearly two-month hunger strike, touching off demonstrations in Stuttgart and West Berlin.

Five persons were injured in the demonstrations, 13 were arrested, and many warehouse and shop windows were smashed by protesters hurling rocks, police said.

Holger Meins, 33, four other gang members and sympathizers had been refusing food since September 13 to protest alleged cruelty by officials.

Authorities said the strikers had been artificially fed during the fast, and that an investigation would be conducted into Meins' death.

Meins, Andreas Baader, Jan Carl Raspe, Gudrun Ensslin and Ulrike Meinhof were jailed in June 1972 after a rampage that involved murder, armed robbery and general violence. Their trial has been scheduled for next summer in Stuttgart.

Jewish activist Lunts detained

MOSCOW (Reuter). — Police in the Caucasian republic of Azerbaidjan detained prominent Jewish activist Alexander Lunts on Saturday and took from him documents he had gathered on the Jews living in the mountains there, Lunts said here yesterday.

He told newsmen after returning from a five-day fact-finding tour of the area that he and his wife were detained in the republic's capital of Bau.

Lunts had been visiting among the so-called "mountain Jews," or Tats, who speak their own brand of Yiddish with a mixture of Persian.

He said more of these Jews are refused permission to emigrate than are Jews from the big cities and that they are subject to more petty repression when applying for visas.

Mr. Lunts's contact in the Durbent region, where most of the 40,000 Tats live, was forced to leave his rented accommodation when he put in for a visa, and was asked to move again when the activist visited him, Mr. Lunts said.

CHOU. — Chinese Premier Chou En-lai met with Republic of Yemen head of state Salem Robya Ali at a Peking hospital yesterday, the New China News Agency said in a report monitored in Hongkong.

New York Senator James Buckley, left, talks with unidentified Moscow Jews in front of the main Moscow synagogue on Saturday. (AP radiophoto)

Sakharov: Not just Jews need freer emigration

MOSCOW (AP).—Dissident physicist Andrei Sakharov urged U.S. Senator James Buckley yesterday to press for freer emigration for all Soviet people, not just Jews, in any U.S.-Soviet trade agreement.

Sakharov, Russia's most prominent civil rights activist, told the Conservative-Republican from New York that Ukrainians, Armenians, Germans and other ethnic groups should be included in any emigration plan promised in exchange for U.S. trade concessions to Moscow. (The Jackson Amendment to the U.S. trade bill which gives the Soviet Union "most favoured nation" trading status does not specifically mention free emigration for Jews but is generally understood to be passed in reference to Jews.)

Meeting in Sakharov's Moscow apartment, Buckley told the dissident leader that he would convey his request to the U.S. Congress.

The Senator has been active in a congressional drive to withhold government-proposed trade concessions to the Soviet Union until the Kremlin liberalizes its emigration policies.

Buckley conceded to Sakharov that he did not know the substance of the compromise plan announced by Senator Jackson.

"That makes us feel extremely insecure," Sakharov said.

Buckley asked the dissident what would be the most effective emigration plan and the best way to assure it is carried out.

Sakharov replied that any emigration plan must hold safeguards against official repression and harassment of those wanting to emigrate, such as loss of jobs and arrests on trumped-up charges. He said constant contact with activist leaders in the Soviet Union was one way of checking.

Buckley arrived here on Saturday afternoon and immediately drove to a Moscow synagogue to meet with Jews and discuss their emigration problems.

Asked whether he hoped to meet Soviet officials in light of his critical stance on detente, Buckley said: "If I were a Russian official, I would want to meet someone like me. Whether they like it or not, I'm part of the American equation."

He said the purpose of his one-week trip — his first to the Soviet Union — is "to find out if detente is really working. It seems to be primarily benefitting the Soviets. I just want to make sure we get a *quid for the pro quos*.

There has been no mention of his visit in the Soviet press.

FBI ambush kills parachuting hijacker who broke out of jail

NORFOLK, Va. — Richard Floyd McCoy, the man who brought off a spectacular robbery in 1972 by parachuting from a hijacked airliner with $500,000 was shot dead in a gun battle with FBI agents Saturday night.

Six agents staged an ambush in a ranch-style house in the middle-class suburb of Virginia Beach when McCoy drove up with Melvin Dale Walker, a convicted bank robber and one of the 10 most wanted men in America.

"McCoy came up to the front door, opened it and was challenged by the agents. He drew his .38 and fired a shot. The agents returned fire and shot him," an FBI spokesman said.

Walker, who had stayed in the car, sped off, but was arrested after a high-speed chase.

McCoy, a 31-year-old former Green Beret special forces soldier and helicopter pilot in Vietnam, had sought to emulate the first airline hijacker to escape by parachute — the legendary F.B. Cooper — but never quite made it.

Cooper, who became a cult figure and had songs sung about him, bailed out over rugged forest country in Washington State with $200,000 and has never been seen since.

McCoy had tried to go one better than the legendary Cooper. He booked a seat on a United Airlines Boeing 727 flight from Los Angeles to Newark, New Jersey.

Shortly after the plane left Denver, McCoy hijacked the craft and ordered it to San Francisco where the passengers were taken off.

He then extracted $500,000 in ransom money and flew off with five of the crew, before parachuting near his home in Provo, Utah. FBI agents found him there two days later.

McCoy was sentenced to 45 years in prison for air piracy. He and Walker and two other inmates escaped from the federal penitentiary at Lewisburg, Penn. in August, 1964. Three days later the two and others robbed a North Carolina bank and fled with more than $16,000, the FBI said.

The FBI said McCoy and Walker had been living in the Wolf's Snare section of Virginia Beach, a quiet residential area, since September and that authorities learned they were here on Thursday.

FBI agents kept watch on the house while McCoy and Walker were away Saturday night.

(Reuter, UPI, AP)

Israel, Britain to sign new culture accord

Jerusalem Post Staff

Israeli and British officials began two days of talks in Jerusalem yesterday on a new cultural co-operation agreement to be signed at the Foreign Ministry tomorrow.

On the agenda are exchange of scholarships, research professors and scientists, youth groups, theatrical performances, musical artists and orchestras and cultural and scientific exhibitions. Also on the agenda are organization of joint symposiums and seminars, joint research projects and cooperation in radio, television and film-making.

The Israel team is headed by Dr. Abba Geffen, head of the Foreign Ministry's Cultural Department, and includes Foreign and Education Ministry officials. The British side comprises officials of the British Council and the Foreign Office and is led by R.A.F. Sherwood.

World army veterans may visit Israel

TEL AVIV. — A plan to bring army veterans from all over the world on a visit to Israel was discussed here over the weekend by Haim Laskov, chairman of the Israel Veterans Association, and William Cooper, Secretary General of the International Veterans Federation.

Mr. Cooper, who has been in Israel as the guest of the Israel Veterans Association, said at the meeting that he would bring up the subject before the leaders of the International Federation when he gets back to the U.S.

Also present at the meeting were Thomas Walker, General Commander-elect of the million-strong U.S. Veterans of Foreign Wars, and Cooper Holt, of the VFW's Washington bureau. The two men are here on a three-day visit to study Israel's problems and the situation in the Middle East. *(Itim)*

Couple jailed in $1m. plot to black out city of Portland

PORTLAND, Oregon (AP). — An unemployed truck driver and his wife were held without bail on Saturday in connection with the bombing of 11 power transmission line towers and a threat to black out Portland unless a $1m. ransom was paid.

FBI Director Clarence M. Kelley, in a statement released by the Portland FBI office, said David Windsor Heesch, 34, was charged with mailing a threatening communication and Sheila Arlene Heesch was charged with aiding and abetting the alleged violation.

Julius Mattson, head of the Portland FBI office, told a news conference on Saturday that the Heesches were located and arrested in an automobile in Southeast Portland on Friday afternoon through use of a radio direction finder and assistance from the Federal Communications Commission.

Mattson said that, according to directions contained in one of six extortion letters mailed to the FBI, agents had been communicating with the extortionist on citizen band radio channel 9, normally used only for emergencies. He said agents were communicating by voice and the extortionist was using a type of Morse Code, beeped over the radio with a special device.

Mattson refused to disclose the contents of the communications, but said, "at no time did we represent that any money would be paid."

He also refused to disclose the findings of a Saturday morning search of the Heesches rural Beaver Creek home.

"We have no knowledge at this time of involvement other than Mr. Heesch and his wife," Mattson said. "However, the charges filed are not necessarily the final charges."

He said the charges against the Heesches carry a maximum penalty of two years in jail and a $500 fine.

Mattson refused to comment on whether the arrests stemmed from a $100,000 reward offered by the Bonneville Power Administration.

Japanese skipper arrested after crash that killed 19

TOKYO. — The Maritime Safety Agency took the captain of a Japanese tanker into custody yesterday in connection with a ship collision that left 19 dead, 14 missing and six injured, officials said.

Agency officials said Captain Akira Ogawa, 48, was detained for investigation of possible professional negligence and accidental homicide and injury.

They said Ogawa's ship, the 43,723-ton tanker No. 70 Yuyo Maru, and the 10,874-ton freighter Pacific Ares both appeared to have erred in navigating the narrow navigable passage through Tokyo Bay. But they added they were investigating whether Ogawa might have failed to take proper action to avoid the Pacific Ares before Saturday's crash.

The officials declined to give further details, saying the investigation is continuing with the questioning of six of the 33 survivors from the Yuyo Maru.

The agency also plans to hear from Taiwanese second engineer Chen Yu-tung, the only survivor from the Pacific Ares, after he recovers from his injuries, the officials said. Chen is reported in serious condition in a Yokohama hospital, they added.

Chen was found alive early yesterday morning after spending 15 hours under scorching heat in the ship's engine control room. The oxygen-masked coast guards who found him also found 18 bodies.

The Yuyo Maru, fully loaded with propane, butane and naphtha from Saudi Arabia, was coming into Kawasaki while the freighter was leaving for the U.S. when the two vessels struck and caught fire. Three hours later, a huge explosion blasted the hull of the tanker as it lay crippled just about 100 metres from the Pacific Ares. Later, the two ships were towed to shallow waters to stop them floating across the busy sea-lanes.

A maritime spokesman said, "We theorized that the freighter was spread with liquified gas and oil upon collision with the fully loaded tanker, and fire engulfed the whole ship, giving no crewmen time to escape."

An agency spokesman estimated it would require about a week to extinguish the fire aboard the Japanese tanker, fueled by its cargo of nearly 50,000-tons of liquified petroleum gas and naphtha.

(AP, Reuter, UPI)

Italians probe former minister in coup attempt

ROME (Reuter). — Magistrates have officially warned a former Italian Defence Minister that he is being investigated in connection with an alleged attempted coup last August, Justice sources said yesterday.

The warning, which does not constitute a criminal charge, is designed to inform a citizen that he is under investigation and to enable him to appoint a defence lawyer.

The ex-minister, Randolfo Pacciardi, is alleged in a secret service report to be the man the plotters wanted to take over as head of state if their coup succeeded, the sources said.

Mr. Pacciardi, 75, told reporters on Saturday night that he had not yet received the magistrates' warning, but he added: "Mussolini never managed to put me behind bars and I don't think the republic will either."

The former minister was exiled from Italy during the Fascist regime, and fought on the Republican side in the Spanish civil war. After the fall of Italian Fascism he became a leader of the Republican Party but was expelled when he proposed a new constitution.

He served as Defence Minister in several governments in the immediate post-war period.

South Africa warned: Keep out of Rhodesia

LONDON. — Britain warned on Friday that South Africa could be drawn into "a mini-Vietnam" if it continued pouring armed force into Rhodesia.

Foreign Secretary James Callaghan, calling on the House of Commons for a one-year renewal of Britain's economic sanctions laws against Rhodesia, said:

"The presence of armed South African police in Rhodesia contains great dangers for South Africa. I hope South Africa will consider the prospect that it might be drawn into a mini-Vietnam if it is to provide more and more armed police and more aid."

The South African Government has said it has sent police contingents to its northern neighbour, not in Rhodesia's interests but rather to thwart insurgents from moving across Rhodesia into South Africa. Repeated British protests have failed to shake the South Africans from continuing their policy.

The Commons voted by 124 votes against 23 to continue the policy of economic sanctions against Rhodesia for the tenth year. Premier Ian Smith's white settler regime proclaimed its independence of Britain in November, 1965.

In Cape Town, the South African Prime Minister, Mr. John Vorster, yesterday initiated his promised liberalization campaign by proposing "parallel" institutions for Coloureds (Euro-Africans) to determine their own affairs. But he refused to restore the right of South Africa's 2,000,000 Coloureds to vote in elections to the all-white parliament and also ruled out the setting up of a second parliament.

Earlier last week Vorster asked South Africa's critics to give him six months to make changes, and said "You will be amazed at where we stand then."

The Coloureds have not been allocated the separate "homelands" designed for the country's 16 million Blacks.

Coloured leaders have demanded the restoration of the vote, which they lost three years after the National Party won power in 1948. They traditionally voted for the opposition United Party.

Vorster said a "Cabinet" of equal numbers of Whites and Coloureds should be formed to decide matters of mutual concern to both communities. The Prime Minister would be its chairman. *(AP, UPI)*

THE INTERNATIONAL SUBMARINE CABLE COMPANY LIMITED

BALANCE SHEET as at March 31, 1974

	Israeli Pounds	£ Sterling
FIXED ASSETS:		
Advance to "Standard Telephone and Cables Limited" (S.T.C.)	7,049,973	645,850
Capitalization of Expenses	4,992,102	554,166
	12,042,075	1,200,016
CURRENT ASSETS:		
The Accountant General, Israel — Current Account	2,519,296	249,668
Bank Hapoalim, London — Current Account (in £ Sterling)	147,727	14,641
Israel Discount Bank, Jerusalem — Current Account	20,051	2,023
	2,687,074	266,332
	14,729,149	1,466,348

	Israeli Pounds	£ Sterling
SHARE CAPITAL:		
Ordinary Shares of 1 Israeli Pound each. Authorized, Issued and Fully Paid	40,000	4,000
LOANS FROM SHAREHOLDERS	5,419,575	500,000
ADVANCES FROM ADMINISTRATION FOR INDEFEASIBLE RIGHT OF USE	8,824,099	917,400
CURRENT LIABILITIES:		
Italcable — Current Account	445,475	44,948
	14,729,149	1,466,348

S. SOROKER
Chairman of the Board of Directors

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE INTERNATIONAL SUBMARINE CABLE COMPANY LIMITED

We have examined the enclosed Balance Sheet of The International Submarine Cable Company Limited as at 31 March 1974. Our examination was made in accordance with generally accepted auditing standards, and accordingly we have applied such auditing procedures as we considered necessary in the circumstances.

In our opinion, the Balance Sheet presents fairly in conformity with generally accepted accounting principles the financial position of the Company as at March 31, 1974.

Pursuant to section 109 of the Companies' Ordinance, we state that we have obtained all the information and explanations we have required and that our opinion on the Balance Sheet is given according to the best of our information and the explanations received by us and as shown by the books of the Company.

Jerusalem — 30th June 1974

H. Elyashiv & M. Caspy
CERTIFIED PUBLIC ACCOUNTANTS

THE INTERNATIONAL TELECOMMUNICATION COMPANY LIMITED

BALANCE SHEET as at March 31, 1974

(In Israeli Pounds)

	31.3.74	31.3.73
FIXED ASSETS		
Cost of laying the submarine cable between France and Israel	70,030,263	70,030,263
Less:		
Irredeemable payments by users for indefeasible right of use	70,030,262	70,030,262
Nominal Cost of the Submarine Cable	1	1
CURRENT ACCOUNT		
The Accountant General — Current Account	1,038,181	13,261,988
Bank in Israel — Current Account	31,669	65,983
Sundry Debit Balances	129,216	37,648
Debt of users for indefeasible right of use	——	9,164,740
	1,199,066	22,530,359
	1,199,067	22,530,360

	31.3.74	31.3.73
SHARE CAPITAL		
6,000 ordinary shares of IL1 each authorized, issued and paid	6,000	6,000
GENERAL RESERVE	276,331	583,796
CURRENT LIABILITIES		
Bank in Paris — Current Account	77,330	(129,968)
Creditors	839,406	671,895
Bills payable	——	13,626,420
Loan from Shareholders	——	7,772,217
	916,736	21,940,564
	1,199,067	22,530,360

S. SOROKER
Chairman of the Board of Directors

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE INTERNATIONAL TELECOMMUNICATION COMPANY LIMITED

We have examined the enclosed Balance Sheet of The International Telecommunication Company Limited as at 31 March 1974. Our examination was made in accordance with generally accepted auditing standards, and accordingly we have applied such auditing procedures as we considered necessary in the circumstances.

In our opinion, the Balance Sheet presents fairly in conformity with generally accepted accounting principles the financial position of the Company as at March 31, 1974.

Pursuant to Section 109 of the Companies' Ordinance, we state that we have obtained all the information and explanations we have required and that our opinion on the Balance Sheet is given according to the best of our information and the explanations received by us and as shown by the books of the Company.

Jerusalem — 30th June 1974

H. Elyashiv & M. Caspy
CERTIFIED PUBLIC ACCOUNTANTS

The Tel Aviv Stock Exchange Ltd.

Notice

1. Trading on the Tel Aviv Stock Exchange will resume on Tuesday, November 12, 1974.
2. All buying and selling orders given prior to Sunday, November 10, 1974, are deemed cancelled.
3. Prices of securities traded on Tuesday, November 12, 1974, will not be subject to any restriction.
4. In the share market, "opening prices" only will be made on Tuesday, November 12, 1974. Phase II (trading at "variable prices") will not take place on that day.

Tel Aviv, November 10, 1974

هكذا من الأصل

OAU office bombed as delegates meet on Cuban sanctions

WASHINGTON. — An explosion ripped through offices of the Organization of American States on Saturday night, while the OAS Foreign Ministers were meeting in Quito, Ecuador, to discuss lifting economic sanctions against Cuba.

No one was injured, and police said the blast was "definitely due to a bomb."

Six hours after the explosion, an unidentified man called the Associated Press and said a group called the "Cuba Movement" was responsible for the bombing.

"We consider all Latin American countries that recognize the Communist regime of Cuba as a true representative of Cuba as the enemy of the Cuban people," the caller said in a prepared statement. "All Latin American countries that recognize Communism are our enemies. Long live a free Cuba."

An OAS spokesman said the explosion, which was near the office of OAS Secretary-General Galo Plaza, broke some windows in the two-story marble building at 17th and Constitution Avenue—just half a km. from the White House. He said the blast also tore a hole in the ceiling, estimating the damage at several thousand dollars.

Most OAS officials, including Plaza, were in Quito for the meeting on Cuba. The participants are split into two opposing camps, with Chile, Paraguay and Uruguay leading a concerted campaign against the lifting of trade and diplomatic sanctions imposed on Cuba 10 years ago.

The United States stuck to its wait-and-see attitude — which some U.S. officials have described as "neutrality" and some critical Latin American diplomats as "indifference."

There were growing indications that the chief American delegate, Deputy Secretary of State Robert S. Ingersoll, will not address the Quito conference, but wait until the final rollcall to reveal the U.S. position.

Votes from at least 14 nations, a two-thirds majority, are needed to lift the sanctions.

Behind the scenes, diplomats sought a compromise that would lift the sanctions while avoiding a rift within the OAS itself.

Colombia, Costa Rica, Venezuela, and Mexico never went along with the blockade, maintaining relations with Castro all along. Ecuador, Argentina, and Peru strongly favour lifting the sanctions.

"The American continent cannot ignore the fact that the cold war has ended," Argentina's interim Foreign Minister, Antonio Benitez, told a working session.

(UPI, Reuter, AP)

Gulf states 'lower' oil price — and raise it again

ABU DHABI, United Arab Emirates. — Only three of the Persian Gulf's six main oil-producing states agreed to a symbolic cut in oil prices yesterday.

The other three rebelled against a Saudi Arabian proposal to technically — though not actually — reduce oil prices as a goodwill gesture toward the U.S. and the industrialized world.

Saudi Arabia, Abu Dhabi and Qatar voted to lower posted oil prices by about 8.5 per cent, but at the same time increased taxes and royalties paid to them by foreign oil companies operating in the Persian Gulf. This means at best no change in the cost of oil by the time it reaches the average consumer, and possibly a slight rise.

Iran, Iraq and Kuwait voted against the Saudi proposal, saying the price issue should be deferred to a meeting of the 13-nation Organization of Petroleum Countries (OPEC) set for Vienna on December 12.

Kuwait recognized "the right of one or more Gulf countries to implement the Saudi Arabian proposal," but announced it would wait for the OPEC meeting. Iran and Iraq flatly said that Gulf producers *cannot decide prices by themselves* without the OPEC members having a say.

The split at the six-nation conference here was apparent before the conference started on Saturday. Saudi Arabia, Abu Dhabi and Kuwait sent their oil ministers to argue the issue. Iraq, Iran and Qatar *sent delegates below ministerial* rank.

The conference did not take a decision on one unified price for oil to be discussed at the Vienna OPEC meeting next month.

Conference sources said this means the price cut agreed to by three of the countries might only be a temporary measure, lasting only until OPEC makes a decision.

They added that the posted-price reduction might make crude cheaper for the independent oil-importing countries — like those in Europe — but not to the major international companies directly involved in oil production, most of which are based in the U.S.

A communique issued after the conference said Saudi Arabia, Qatar and the UAE would implement the scheme as from November 1, and until the end of next July.

They plan:

- To lower the crude oil posted (reference) price by 40 U.S. cents a barrel.
- To raise the rate of royalty to 20 per cent of the posted price.
- To raise the rate of income tax payable by the oil companies to 85 per cent.

The Saudi Arabian Oil Minister Sheikh Ahmed Zaki Yamani and Qatar's representative said in a statement that they believed "the oil companies are realizing excessive profits on the exports of their crude..."

They added: "The countries in question consider that a portion of these profits should be returned to the consumer." *(AP, Reuter)*

Sources in Uganda report 15 soldiers died in revolt

DAR ES SALAAM (AP). — A *revolt within the special commando* division of the Ugandan Army resulted in the death of 15 soldiers, reports from reliable sources within Uganda said yesterday.

The reports said the revolt took place last Wednesday at Mbuya Barracks, Kampala.

The rebels were described as part *of a special commando division* set up by General Idi Amin after he seized power four years ago.

Many commandos trained in Libya have the task of guarding strategic installations. They were regarded as the army unit most loyal to Amin.

The reports said the revolt was put down by loyal troops.

The reported incident follows reports of a mass desertion by nearly a thousand members of the airborne division a week ago.

There is growing discontent in the army because most soldiers have not been paid for more than three months. Travellers from Uganda said the soldiers also complained of not getting enough food.

Last Tuesday, Amin ordered the British High Commission in Kampala to cut its staff to five following publication of an article in the British newspaper "The Observer" the previous Sunday, reporting unsuccessful plots to assassinate Amin and alleging that he had ordered the recent murder of his wife.

The leader of the British party which returned yesterday, Michael Hodge, commercial secretary at the High Commission, said they had not been harassed before their departure.

"We first heard of the decision by President Amin on Wednesday and that left us over three days to *pack and make preparations for our* return to London. There were no difficulties or trouble at the airport and we were not harassed in any way," he said.

In his expulsion order, Amin said the remaining 1,500 British citizens in Uganda should "be prepared to kneel before me" if they wanted to stay.

Hodge commented, "It is not our style to kneel."

Soviet moon shot aborts

MOSCOW (Reuter). — The Soviet Union yesterday announced that its latest unmanned lunar probe, Luna-23, was so badly damaged on landing on the moon that it was unable to complete its intended programme.

The Tass news agency said the craft, launched two weeks ago, attempted to soft-land in the Sea of Crises on Wednesday, but hit a rough area. As a result, the *equipment on board was damaged* — suggesting the station either landed too hard, or toppled over on uneven ground.

According to Tass, Luna-23 was meant to have drilled for moon soil at a depth of two-and-a-half metres and perhaps return material to earth.

Following damage to the drilling apparatus, Tass said, the craft had carried out a modified programme for three days, but stopped functioning completely yesterday.

Mirage critic Stehlin says his car was shot at

PARIS. — General Paul Stehlin, a former French Air Force Chief of Staff, said on Saturday that shots were fired at his car four days after he asserted that the French Mirage jet was inferior to its U.S. rivals.

The general was not in the car but his wife and 20-year-old son Marc were, and Marc was wounded in the left eye and the cheek bone by flying glass. "The retina in his left eye was severed and he suffered severe damage to the bones in his face," Mrs. Stehlin said.

"My son is better now but he will have only peripheral vision in his eye for the rest of his life," she added.

General Stehlin said the incident took place on September 28.

After the initial inquiry into the accident on the Paris-Deauville road, Gen. Stehlin said "police did absolutely nothing at the time." So he lodged a complaint at a court in Versailles.

Then, General Stehlin added, "The police inspector (conducting the investigation) said there are strong possibilities that it was a bullet." He said the bullet was never found. "It must have fallen out of the side of the door where there were masses of debris."

But French police yesterday said they were as yet unable to determine if an attempt had been made to kill Stehlin.

Stehlin resigned his position as Vice-President of the National Assembly last week after the row over his claim that U.S. planes were "unquestionably superior" to the French Mirage jet.

The U.S. YF-16 and YF-17 are at present competing with the Mirage for a huge arms deal — Norway, Denmark, Belgium and Holland wish to replace their obsolete Starfighters. *(Reuter, AP)*

Egypt's banks propose Cairo float its pound

CAIRO (AP).—Director of Egypt's state-run commercial banks have submitted a plan to Premier Abdel Aziz Hegazy proposing the Egyptian pound be floated, bank sources said on Saturday.

According to the sources, the Egyptian pound will be devalued if the plan is put into effect. They say the step is designed to encourage foreign investment in Egypt, but will also increase the cost of imports. Egypt already has a $2b. balance of payments deficit.

The semi-official newspaper "Al Ahram" said the plan, currently under study by Hegazy, calls for allowing the pound to find its own level on international money markets, leaving it to be affected by price fluctuations up or down.

At present, the Egyptian pound has a fixed price, being officially valued at $2.56.

Inflation, corruption and shortages plague Cairo's six million

By IRENE BEESON
CAIRO (Ofns)

MORE THAN 2,000 Cairenes recently attacked a tram depot, setting fire to tramcars and the offices of the transport authority. It took the police two hours to subdue the rioters.

This was the most serious of a wave of what the Press describes as "regrettable incidents" that have been plaguing Egypt for months. In another such incident, a crowd of workers, fed up with the daily wait for transport that turns up too late or not at all, set fire to the superintendent's kiosk and decided not to go to work that day.

Official sources claim there is a "hidden hand" behind these happenings, organising and inciting the people to revolt.

Egyptians with a political axe to grind blame the Left or the Moslem Brothers or even Libyan leader Muammar Gaddafi, who has been built up here as a scapegoat for most of Egypt's internal troubles. (The Egyptian authorities last week reported they have clamped down on a group of Cairo residents who were said to have possessed a printing machine and leaflets calling for disobedience.)

The Left, the Moslem Brothers and the politically neutral are of a different opinion. If anybody can be held responsible for inciting the people, it is the Government of President Anwar Sadat, they argue. They accuse the rulers and the upper crust of being completely isolated from the people.

Cairo has an apparently insoluble traffic problem, yet new private cars are crowding the streets, imported at the rate of about 2,000 a week. Public transport is hopelessly inadequate, both in the number of vehicles and their state of maintenance.

There is an acute housing shortage for Cairo's six million or more inhabitants. The worst affected are the middle and low income groups. Large sections of the population live in what officials describe as "sub-standard housing," a euphemism for hovels and unsafe structures, many of which collapse on their inhabitants.

Laws enacted by the late President Nasser froze rents of old houses and apartments and lowered others by relieving owners of property tax. But property owners beat the rent controls by putting in a few sticks of furniture and renting houses and flats as "furnished" or "luxury furnished" at ten times and more the controlled unfurnished rent.

In the last year, the influx of oil-rich Arabs who are buying up land and property and a marked increase in the number of foreign residents, have also pushed prices of property, key money and rents. New luxury flats cost from IL140,000 to IL500,000 and more. Key money for unfurnished accommodation in fashionable districts and new suburbs is as high as the buying price.

Only an infinitesimal section of the population can afford "better than average" or "good" housing, since fewer than half the working population of Cairo earn more than IL700 a month. About 4 per cent earn more than IL1,400 but in the sprawling poor districts 75 per cent live on less than IL275 a month.

There are shortages of foodstuffs and basic commodities, but Cairo is flooded with imported luxury goods and trivia and the missing essentials can always be found "at a price" on the black market.

Corruption in high places and the insatiable appetite of the nouveau riche make the crisis daily more acute. Thefts and fraud in factories, public depots and cooperative stores are widespread. The culprits are "investigated," but apparently never brought to trial and punished. Critics of the regime claim they are merely transferred from one job to another.

All this and other problems arising from inflated prices, stagnant wages and salaries, frequent breakdowns in water and electricity supplies and troubles with an overburdened sewerage network, help to explain the wave of strikes, disturbances and riots that are disturbing the men at the top in their ivory towers.

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MINISTRY OF COMMERCE AND INDUSTRY

LIST OF MAXIMUM RETAIL PRICES FOR GROCERIES

BREAD		
Dark bread, standard	1 kg.	1.00
Dark bread, standard	750 gm.	.85
White bread	750 gm.	.95
White bread	250 gm.	.60
Kimmel bread	500 gm.	1.00
Halla, round or braided	500 gm.	1.00
Roll	60 gm.	.22
EGGS		
Size 1	65 gm. or more	.46
Size 2	60-65 gm.	.42
Size 3	55-60 gm.	.38
Size 4	50-55 gm.	.34
Size 5	45-50 gm.	.29
MILK AND MILK DRINKS		
Pasteurized milk or low-fat pasteurized milk (1%)	500 ml. bag	.85
Pasteurized milk	1 litre bag	1.60
Sterilized milk	585 ml. bottle	1.50
Low fat (1%) sterilized milk	585 ml. bottle	1.50
"Bivion"	500 ml. pack	1.70
Pasteurized Choco	200 ml. bag	.65
Sterilized Choco	200 ml. bottle	.85
SOUR MILK PRODUCTS		
Eshel (Tnuva), Idit (Tara), Leshed (United Dairies)	170 ml. cup	.60
Leben (3% fat): Gil (Tnuva), Oz (Tara), Ya'el (United Dairies)	170 ml. cup	.50
Yogurt (Tnuva, Tara, United Dairies)	170 ml. cup	.80
Fruit-flavoured yogurt: Prigurt (Tnuva), Pri-Halav (United Dairies)	170 ml. cup	1.05
Danone, Yogurt with Fruit (Strauss)	120 ml. cup	1.60
Milk pudding: Rafrefet (Tnuva), Crem-Tenne, Crem Tara	170 ml. cup	1.25
Milk pudding, Dany (Strauss) twin cups	2 x 125 gr.	3.00
CREAM		
Sour cream	170 ml. cup	1.10
Pasteurized whipping cream	230 ml.bag	3.60
Sterilized coffee cream	200 ml. bottle	1.40
BUTTER		
Butter	100 gm. package	2.00
Salted butter	200 gm. package	3.80
SOFT WHITE CHEESE		
Lean white cheese Tara, United Dairies	250 gm. package	1.15
Lean white cheese for cutting Cna'an (Tnuva)	250 gm. package	1.60
Lean white cheese for cutting Cna'an (Tnuva), Tivon (Tara), Kfar (U.D.)	500 gm. package	3.00
Fat cheese for cutting: Tuv Taam (Tara), Shufra (U.D.)	250 gm. package	1.70
Lean spreading cheese (Tnuva)	250 gm. cup	1.30
White cheese, half fat 5% fat (Tara, U.D.)	250 gm. package	1.35
Fat white cheese for spreading 9% (Tnuva)	250 gm. cup	1.40
Savyon half-fat cheese (Tnuva) square box,	125 gm.	.85
Lean spreading cheese, Ga'aton (Strauss)	125 gm. cup	1.20
Fat spreading cheese, Ga'aton, 9% fat (Strauss)	125 gm. cup	1.40
Cottage cheese, 9% fat (Tnuva)	225 gm. cup	1.65
HARD CHEESE		
Gilboa (Tnuva)	1 kg.	16.50
Gilboa (Tnuva)	150 gm. package sliced	3.30
Emek (Tnuva)	1 kg.	18.00
Emek (Tnuva)	200 gm. package	4.30
Tiran (Tenne), Pe'er (Tara), Edamer (Strauss)	1 kg.	18.80
Edamer (Strauss)	150 gm. package sliced	4.00
Gush Halav (Tnuva)	1 kg.	19.70
Gush Halav (Tnuva)	200 gm. package sliced	4.40
Colby (Tnuva)	1 kg.	19.70
Gad (Tnuva)	1 kg.	20.50
Tal Ha'emek (Tnuva)	1 kg.	23.50
Tal Ha'emek (Tnuva)	200 gm. package sliced	5.40
Meiron (Strauss)	1 kg.	21.80
Meiron (Strauss)	150 gm. package sliced	4.60
Arad (Tenne), Hadar (Tara)	1 kg.	21.00
Nahariya (Strauss)	1 kg.	23.00
Gilad (Tnuva), Golan (Tnuva), ("Kashkaval")	1 kg.	32.00
Gilad (Tnuva), Golan (Tnuva) ("Kashkaval")	150 gm. package sliced	6.00
Bashan (Tnuva) smoked	1 kg.	34.00
Bashan (Tnuva) smoked	200 gm. package sliced	7.50
Galil (Tnuva)	1 kg.	35.00
PROCESS CHEESE		
Carmel (Tnuva)	six triangles in a 240 gm. box	2.80
No'am (Tnuva)	eight triangles in a 200 gm. box	3.00
Meshek (Tnuva)	sixteen triangles in a 224 gm. box	3.50
Bilu (Strauss)	six triangles in a 240 gm. box	4.50
Nili, Chili, Gili (Strauss)	three circles in a 180 gm. box	3.60
Ta'am Americai (Mata)	250 gm. package	6.50
MARGARINE		
Margarine, with or without salt	200 gm. packet	1.00
Margarine, with or without salt	250 gm. cup	1.50
Margarine, low calorie	250 gm. cup	1.15
Margarine for baking	200 gm. packet	1.00
Margarine with milk	200 gm. packet	1.35
Margarine with milk	250 gm. cup	1.65
OIL		
Refined soya oil	580 gm. glass bottle (560 ml.)	2.60
Refined soya oil	920 gm. plastic bottle (1 lit.)	4.85
MATCHES		
Matches	twelve-box package	1.65
Matches	box	.15
HUMUS, TEHINA		
Prepared tehina	100 gm. can	1.15
Instant tehina	100 gm. can	1.65
Prepared humus	100 gm. can	1.15
Prepared humus	310 gm. can	2.60
Prepared humus	420 gm. can	3.25
Instant humus	100 gm. can	1.50
FLOUR, SUGAR, RICE, SALT		
Semolina	1 kg.	2.50
Plain white flour	1 kg.	2.15
White sugar	1 kg.	6.00
Sugat sugar	1 kg.	6.05
Rice	1 kg.	4.40
Regular table salt in bags	1 kg.	.65
NOODLES AND DOUGH PRODUCTS		
Macaroni, spaghetti (Osem)	400 gm. package	2.00
Noodles, ptitim (Osem)	400 gm. package	1.70
Macaroni Peer Hahita (Osem)	250 gm. package or box	1.75
Macaroni Muvhar (Osem)	250 gm. package or box	1.70
Noodles, ptitim Muvhar unbaked (Osem)	250 gm. package	1.55
Ptitim, baked "Murhav" (Osem)	250 gm. package	1.70
BISCUITS		
Marie (Hadar)	250 gm. package	2.95
Crackers (Hadar)	250 gm. package	3.05
Marie, Cream Crackers, Biscafe (Froumine)	227 gm. package	3.50
Marie, Cream Crackers (Osem)	227 gm. package	3.25
Petit Beurre (Osem)	175 gm. package	2.40
Petit Beurre (Osem)	260 gm. package	3.25
DEHYDRATED SOUPS		
Chicken soup (Telma)	three cubes, each 15 gm.	1.95
Instant chicken soup (Osem)	three cubes, each 11 gm.	1.85
Chicken or meat soup (Vita, Osem, Telma)	three envelopes each 14-16 gm.	1.95
Instant chicken or meat soup (Vita, Osem, Telma)	six cubes, 5.5-7.0 gm. each	1.95
Mushroom soup with grits (Vita, Osem, Telma)	box of two envelopes	3.70
		.95
Vegetable soup (Telma)	50 gm. cube	
Vegetable soup (Osem)	three cubes, 14 gm. each	1.10
other soups (Vita, Osem, Telma)	box of two envelopes	3.50
BEVERAGES		
Beer, regular	48 cl. bottle	1.05
Malt beer	48 cl. bottle	.85
Carbonated beverage Coca-Cola	1 lit. bottle	2.30
Carbonated beverage Schweppes	1 lit. bottle	2.05
Other beverages, e.g., Goldsun, Tempo,	1-1.1 lit. bottle	1.90
Citrus beverage	65 cl. bottle	1.00
TEA AND COFFEE		
Instant coffee (Lieber)	227 gm. jar or tin	11.50
Instant coffee (Lieber)	56 gm. jar or tin	3.00
		3.15
Instant coffee (Elite)	56 gm. tin	12.00
Instant coffee (Elite)	227 gm. tin	10.95
Instant coffee (Elite)	200 gm. jar	
Haag low caffeine instant coffee	50 gm. jar or tin	4.60
Elite low caffeine instant coffee	56 gm. tin	4.60
Type 74 tea (Wissotzky)	aluminium foil packet, 100 gm.	1.95
Type 510 tea (Wissotzky)	aluminium foil packet, 100 gm.	2.15
Tea, 1 gm. bags (Wissotzky)	25 bags, aluminium tab	1.50
Tea, 1.5 gm. bags (Wissotzky)	25 bags, polythene tab	2.00
Tea, 1 gm. bags (Wissotzky)	50 bags, aluminium tab	3.00
Tea, 1.5 gm. bags (Wissotzky)	50 bags, polythene tab	3.85
POPULARLY PRICED CHOCOLATE		
Chocolate, milk or plain	100 gm. bar	1.70
Chocolate, milk or plain	200 gm. bar	3.40
FROZEN BEEF LIVER, AND TONGUE		
Frozen beef liver	1 kg.	17.00
Frozen tongue (with no fat)	1 kg.	22.00

NOVEMBER 10, 1974

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TWO-IN-ONE CROSSWORD

Use the same diagram for either the Easy or the Cryptic puzzle.

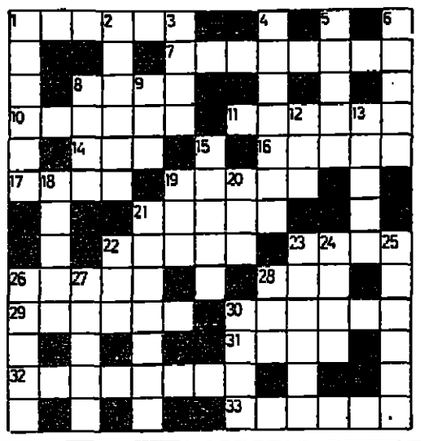
EASY PUZZLE

ACROSS

1 Little angel (6)
7 Shed (8)
8 Greedy (4)
10 Comfort (6)
11 Brighter (6)
14 Beer (3)
16 Swift (5)
17 Deficit (4)
19 Helped (5)
21 Attractively plump (5)
22 Compare (5)
23 Goes wrong (4)
26 Pondered (5)
28 Chopper (3)
29 Fleet (6)
30 Earnest request (6)
31 Lifeless (4)
32 Softened (8)
33 Saturated (6)

DOWN

1 Carpentry tool (6)
2 Competitors (6)
3 Portend (4)
4 Mathematical proposition (7)
5 Flower (5)
6 Facial hair (5)
8 Unfortunately (4)
9 Frozen water (3)
12 Gloomy (3)
13 Type of duck (5)
15 Female fox (5)
18 Smell (5)
19 Sea-bird (3)
20 Tutor (3)
21 *Offering* (7)
22 Meadow (3)
23 Enlarge (6)
24 Riverside plant (4)
25 Drinking bar (6)
26 Wed (5)
27 Minute (5)
28 Monkey (3)
30 Totals (4)



Friday's Easy solution

ACROSS.—1, Cheap. 6, Sharp. 9, Rustler. 10, Adorn. 11, Count. 12, Snout. 13, Sensing. 15, Met. 17, Knot. 18, Dentist. 19, Hears. 20, Roller. 22, Pile. 24, Tie. 25, Haricot. 26, Glued. 27, Brat. 28, Socks. 29, Whopper. 30, Agony. 31, Teeth.

DOWN.—2, Hidden. 3, Arrest. 4, Pun. 5, Sting. 6, Statues. 7, Trot. 8, Rented. 12, Sneer. 13, Skirt. 14, Noble. 15, Mantle. 16, Tenet. 18, Dread. 19, Healthy. 21, Oxide. 22, Parade. 23, Locker. 25, Helps. 26, Gown. 28, Set.

Friday's Cryptic solution

ACROSS.—1, Shell. 6, South. 9, Gaitsmen. 10, Stand. 11, Alias. 12, Re-ply. 13, Rec-over. 15, Fed. 17, Iron. 18, Bruise. 19, Pipes. 20, Goggle (box). 22, Sago. 24, Ell. 25, Scanlon. 26, Hatch. 27, (plat-form) Shoes. 28, AC-rid. 29, Wedlock. 30, A.m.-end. 31, Essay.

DOWN.—2, Hitter. 3, (Radio) London. 4, Lad. 5, Aster. 6, Sealers. 7, Univ. 8, Traces. 12, Revie. 13, Ridge. 14, Corgi. 15, Final. 16, Dernier (bowler). 18, B-E-ach. 19, Pleased (as Punch). 21, Old-ham. 22, Smac-ks. 23, Ge-diva. 25, Scale. 26, Hewn. 28, Ace.

CRYPTIC PUZZLE

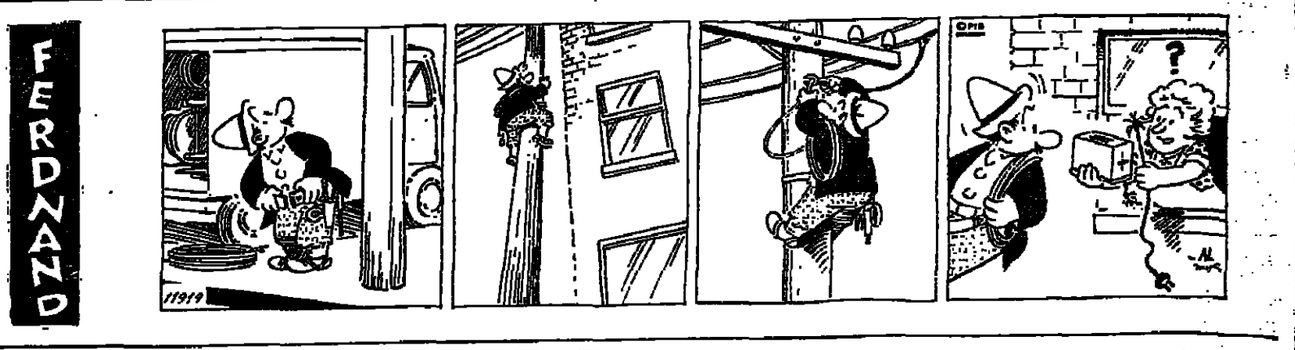
ACROSS

1 Accept a proposal (3, 3)
7 Release Abe Tiler? (8)
8 She produces ales (4)
10 Dispose of at a higher price? (4, 2)
11 Cockney wife trouble! (6)
14 Music from Garbo pictures (3)
16 Mother has Ted beaten! (5)
17 Attractive result? (4)
19 Imagine you're *not* asleep? (5)
21 Manual instrument (5)
22 He gets nothing for nothing (5)
23 Drives like crazy! (4)
26 A contest in the vicinity (5)
28 Natural gas lighter! (3)
29 Mostly messy arrangement that's orderly! (6)
30 Sent to town? (6)
31 She's always among the fellas (4)
32 Riding habit of years? (8)
33 Silvered glass (6)

DOWN

1 Pickled in alcohol? (6)
2 Cry out for colour! (6)
3 Blow with a stick? (4)
4 But he didn't win the bride (4, 3)
5 Knock out a sailor as usual (5)
6 Granted some price deductions (5)
8 Baleful Isle? (4)
9 Spoon-feed yourself! (3)
12 Striking animal (3)
13 Occasion to be fed up? (5)
15 Persuades Reg to reform in the States (5)
18 Special TV programme (5)
19 No longer worth squeezing? (3)
20 One of those covered by a bearskin (3)
21 Eats out in some Oriental place (3, 4)
22 Exceptional word (3)
23 Servant who saw (6)
24 She may follow the band (4)
25 Ward relative? (6)
26 Ideas conveyed to the audience (5)
27 A growing hosiery centre (5)
28 Sun king (3)
30 Pour down and meet up (4)

SOLUTIONS TO TODAY'S PUZZLES ON WEDNESDAY



WHAT'S ON

Plant a Tree in Israel with your Own Hands:
Free tours for planters to the Hills of Judea leave every Monday and Wednesday from Jerusalem and every Tuesday from Tel Aviv. For details and registration please call Visitors Department; Keren Kayemet Le-Israel (Jewish National Fund); in Jerusalem — Rehov King George, corner Rehov Keren Kayemet. Tel. 02-35261, in Tel Aviv — 96 Rehov Hayarkon, opp. Dan Hotel, Tel. 03-234449.

VISITING Jerusalem? First get Carta's Jerusalem Guide and map, at hotel shop.

JERUSALEM

A Stone in David's Tower. Sound and Light *Show in Jerusalem. Every evening,* except Friday, 8.45 p.m. in English. Additional show at 10 p.m. — Mon., Tues., Wed., Sat. in English; Sun., Thurs. in French. Tickets: Jerusalem agencies and Citadel box office (evenings). Please come warmly dressed.

Hadassah Tours.
1. Medical Centre at 9.30 a.m., 11.00 a.m., 12.15 p.m. and 3.00 p.m. Last tour on Friday at 12.15 p.m. Kennedy Building. No charge. Buses 19 and 27.
2. Morning half-day tour of all Hadassah projects. IL12 ($2) per person towards transportation and refreshments. By reservation only: Tel. 416333.

HEBREW UNIVERSITY, tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Mount Scopus tours 11.30 a.m. from Truman Building. Further details: Tel. 35430.

Jerusalem Biblical Zoo, Schneller Wood, Romema. Tel. 533822, 7.30 a.m.-dusk.

AT THE KHAN THEATRE (opposite railway station).

A folklore evening for tourists. With Inbal dance group, every Wednesday at 9.00 p.m.

New Israeli Films: Latest Israeli Films screened weekdays at 12 noon at Keren Hayesod Hall, Jewish Agency Building; Jerusalem. Admission free.

TEL AVIV

Tel Aviv Museum 27 Sderot Shaul Hamelech. Exhibition: **Graphic Halls** —Lesser Uri — drawings and prints. — Photographic exhibition (gift of Hilton Hotel). **Zacks Hall** — Works by Jewish Artists, 17th and 18th century paintings — from the museum collections.

Meyerhoff Hall: Israeli art **Jaglom Hall** Impressionism. **Hall No.3,** Surrealism, post-Cubism. **Haft Hall:** Kinetic art. Helena Rubinstein Pavilion, 6 Rehov Tarsat. The pavilion is closed to permit preparations for the exhibition: David Ben-Gurion, 1886-1973. Visiting hours in both buildings: Sun., Mon., 10 a.m.-5 p.m., Tues. 10 a.m.-1 p.m.: 4 p.m.-10 p.m.; Fri. 10 a.m.-2 p.m.; Sat. 6 p.m.-10 p.m.

The Helena Rubinstein Art Library (new building) Open: Sun., Mon., Wed., Thurs; 10 a.m.-4 p.m.; Tues. 10 a.m.-1 p.m. 4 p.m.-7 p.m.; Fri. 10 a.m.-2 p.m.

Ha'aretz Museum, Tel Aviv Museum Centre, Ramat Aviv: (1) Glass Museum; (2) Kadmon Numismatic Museum; (3) Exhibition at the Ceramic Museum; Sculpture in Clay by Gedula Ogen; (4) Museum of Science and Technology; (5) Museum of Ethnography and Folklore; (6) Alphabet Museum; (7) Nechushtan Pavilion; (8) Tel-Qasile Excavations: Open: Sun., Mon., Tues., Wed., Thurs. 9 a.m.-4.00 p.m., Fri. 9.00 a.m.-1 p.m., Sat. 10:00 a.m.-2.00 p.m., entrance free on Saturdays.

MUSEUM OF ANTIQUITIES OF TEL AVIV-YAFO, 110 Rehov Mifratz Shlomo. Open as above.

MUSEUM OF THE HISTORY OF TEL AVIV-YAFO, 127 Rehov Bialik. Open as above but closed Saturday.

Conducted Tours: Tel Aviv University: Free conducted tours in English, of **RAMAT AVIV CAMPUS** daily except Saturday. Assembly point at University — 10.30 a.m. Public Relations Dept.

MAGEN DAVID ADOM IN ISRAEL Headquarters — 60 Rehov Giborei Israel Tel Aviv. Visitors — Please call 36222 between 8.00 a.m. and 2.00 p.m. to arrange visits to our Central Blood Bank in Jaffa and for information regarding other Magen David Adom installations.

American Mizrachi Women's Organization 16, 18, Rehov Dov Hos, Tel Aviv, Tel. 220187, 243106; Jerusalem 222646, 521608; Haifa 64628; Beersheba 3171.

National Religious Women's Organization Mizrahi and Hapoel Hamizrahi Women in Israel 166 Rehov Ibn Gvirol, Tel Aviv; Tel. 03-788942, 03-440316. Jerusalem: Tel. 02-30520. 02-35282, Mondays, Wednesdays guided tours, through Neve Sara Herzog Complex, Buel Brak.

ORT ISRAEL: For visits please contact: ORT Tel Aviv, Tel. 76291-2; ORT Jerusalem, Tel. 233675; ORT Haifa, Tel. 668000, ORT Netanya, Tel. 22322.

Canadian Hadassah-Wizo Office, 115 Hayarkon. Tel. 227060, 8 a.m.-2 p.m.

MOETZET HAPOALOT — PIONEER WOMEN, Courtesy Tours Sunday through *Thursday mornings.* By appointment only. Tel. 261111 ext. 484, Tel Aviv.

CAESAREA

KAYIT V'SHAYIT CAESAREA Guest House. self-service restaurant. Tel. 063-88161.

BEHOVOT

WEIZMANN INSTITUTE OF SCIENCE Conducted tours, Sun., to Thurs. at 2.30 p.m. Fri. at 10.20 a.m., starting from the lobby of the Charles Clore International House.

CINEMAS

JERUSALEM
4.00, 7.00, 9.00

ARNON — The Forbidden Decameron; CHEN — The Truth and the False; EDEN — American Graffiti; EDISON — Ates Parcasi; HABIRAH — Gold, 4.00, 6.50, 9.00; JERUSALEM — Amarcord; MITCHELL — Rape and the Teacher; ORGIL — L'Emmerdeur; ORION — The Exorcist; ORNA — Cinderella Liberty; RON — Paper Moon; SEMADAR — Seme Like It Hot, 6.45, 9.00.

TEL AVIV
4.30, 7.15, 9.30

ALLENBY — The Sting, 4.30, 7.10, 9.30; BEN YEHUDA — Reigen; CHEN — Paper Moon; CINEMA ONE — Gangster Story; CINERAMA — My Name is Shanghai Joe, 7.15, 9.30; DEKEL — Cat and Mouse, 7.30, 9.30; DRIVE IN — Buck Private's Come Home, Lost in the Desert, High Planes Drifter. First show starts at 5.00. ESTHER — The Exorcist; GAT — American Graffiti; GORDON — Excuse Me... My Name is Rocco Papaleo; HOD — Gold; LIMOR — The Exorcist; MAXIM — My Darling Slave; MOGRABI — For Pete's Sake; OPHIR — Watch Out We Are Mad; ORLY — S.P.Y.S.; PARIS — The Effect of Gamma Rays on Man-In-The-Moon Marigolds, 10, 12, 2, 4, 7.30, 9.30; PEER — Sleuth, 4.30, 7.00, 9.30; RAMAT AVIV — Fright, 7.15, 9.30, Tues. Un Militare E. Mezzo, 4.30; STUDIO — Le Mouton Enrage; TCHELET — La Planete Sauvage; TEL AVIV — Dirty Mary, Crazy Larry; ZAFON — Deux Hommes Dans La Ville.

HAIFA

AMPHITHEATRE — Mc Q.; ARMON — Paper Moon; ATZMON — The Exorcist, 4.00, 6.45, 9.00; BEIT ROTHSCHILD — Sunday, Focus, 9.00; Mon., Tues., Wed., Deliverance, 6.45, 9.00; Thurs. La Poursuite, 8.45; CHEN — Charlie and a Half; MORIAH — For Pete's Sake; MIRON — Hogs and Warships, 6 nonstop perfs.; ORAH — S.P.Y.S.; ORDAN — Papillon, 4.00, 6.30, 9.00; ORION — A Tooth for a Tooth, 6 nonstop perfs.; ORLY — The Great Dictator, 5.00, 6.30, 9.00; PEER — Avanti, 6.30, 9.00; RON — Le Droit D'Aimer; SHAVIT — Alfredo, Alfredo.

RAMAT GAN
7.15, 9.30.

ARMON — Slaughter's Big Rip-off; HADAR — La Bonne Annee; LILI — Blazing Saddles, Mat. at 4 — The Flame and the Arrow; OASIS — King, Queen, Knave; ORDEA — Il N'y a Pas de Fumee Sans Feu; RAMA — Don't Peek under My Skirt, I'm a Man; RAMAT GAN — Mame, 7.00, 9.30.

HERZLIYA

DAVID — Indian Summer, 7.00, 9.15; TIFERET — Alfredo, Alfredo, 7.00, 9.00.

PETAH TIKVA

SHALOM — The Man Who Haunted Himself, 7.00, 9.15, Matinee at 3.30, Tarzan, King of the Jungle.

ON THE AIR

HEBREW NEWS AND NEWSREELS

1st Programme: News: 8.00, 9.00, 10.00, 11.00, 12.00, 1.00 p.m., 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 10.00, 11.00 and midnight. Newsreels: 7.05 p.m.
2nd Programme: 6.05 a.m., 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 1.00 p.m., 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, midnight and 1.00 a.m. Newsreels: 7.05 a.m., 1.05 p.m.
Galei Zahal: News: 6.00 a.m., 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 1.00 p.m., 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, midnight, 1.00 a.m., 2.00, 3.00, 4.00 and 5.00 Newsreels: 8.05 a.m., 12.05 and 5.05 p.m. and 12.05 a.m.

FIRST PROGRAMME
256, 522 and 221 M.

7.58 a.m. Opening. 8.10 "Famous Artists." 9.05 Popular Classics. 10.05 Seter: "Monodrama" (Ettlinger-Saltzman); Schumann: Piano Quintet. 11.00 News in Easy Hebrew. 11.05 Ivrit La'am. 11.15 Programmes for Elementary Schools. 11.35 Song and Melody. 12.15 Programmes for Elementary Schools. 12.35 Imeide Blechlinger, organ + Buxtehude: Choral Phantasy; Schmitt: Four Choral Preludes. 1.05 Midday concert — Avidom; Suite on "B.A.C.H." (Bertini); Tchaikovsky-Glazounov: Suite on Russian Themes, op 33 (Milstein); Liszt: "Ce Qu'on Entend Sur la Montagne" (Haitinck). 2.10 Mother and Child. 3.05 "Radiodea — "Improving your knowledge." 3.30 Talmud lesson. 3.50 Book Review.
4.10 A Moment of Hebrew. 4.11 "Soiree Musicale" — Rampal + Cleveland Quartet — Jonathan Zak: Mozart: Flute Quartet; Gluck: "Dance of the Blessed Spirits; Franck: Sonata; Debussy: "Syrinx." 5.10 Radio Music Club.
6.05 "Lines, Notes and Stars" — Culture and Art Magazine. 6.55 For the Farmer. 7.05 "Today." 7.25 Light Music. 7.50 Bible Reading: Shmuel I, chaps. 23 and 24. 8.05 Opera. 11.05 Discussion. 12.10 A Moment of Poetry. 12.13 Close Down.

SECOND PROGRAMME
457, 423, 259, 249, 355 and 340 M.

3.58 a.m. *Opening. 6.00 Religious Service.* 6.10 Exercises. 6.20 Musical Clock. 6.55 Programme Announcements. 6.59 A Moment of Hebrew. 7.05 "This Morning." 7.35 Hebrew Songs. 7.55 "Green Light." 8.05 Announcements. 8.10 "Good Morning." 8.55 Names and Events in the Headlines. 9.05 "Good Morning" (cont.) 11.05 "Here at Home." 11.40 Where to go and light music. 12.05 Programme for the Worker and the *Employer. 12.30 Hebrew Songs.*
1.05 p.m. "At Midday." 2.10 This is Ehud Manor. 3.52 Names and Events in the Jewish Scene. 4.10 A Moment of Hebrew. 4.11 Hebrew Hit Parade. 4.30 S. Rosen's Quiz. 4.35 Hit Parade. 6.45 Today's Sport. 6.55 Announcements. 9.05 "From Pop to Inclusive." 10.05 "A Flat for Two" — Quiz. 12.10 Jazz. 1.05 Close Down.

FIFTH PROGRAMME
445 M.

6.58 p.m. Opening. 7.00 News. 7.05 Songs and Melody. 8.00 News. 8.05 Song and Melody.

IMMIGRANTS' HOUR
457, 423, 256, 249, 355 and 340.5 M.

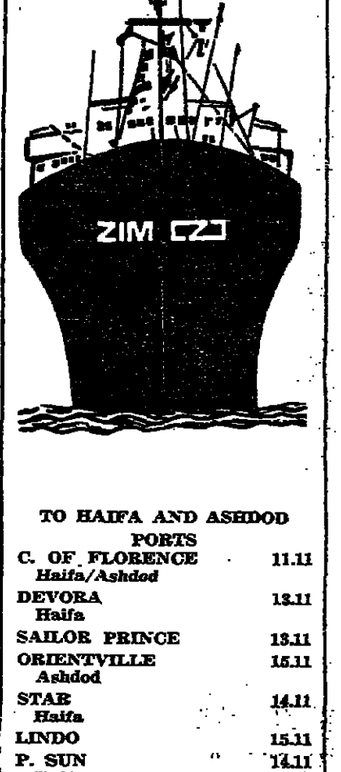
7.00 p.m. News in easy Hebrew, Ivrit La'am. 7.15 Georgian. 7.30 Yiddish. 8.00 Ladino. 8.15 Mograbi. 8.30 Rumanian. 8.45 Russian. 9.30 Close Down.

ENGLISH NEWS AND PROGRAMMES
7.00 a.m. (4th programme and short waves); 1.30-2.00 p.m. (4th programme and short waves):
6.00 p.m. (4th programme);
8.30-8.45 (4th programme);
10.00-10.55 p.m. (short waves).

FRENCH NEWS AND PROGRAMMES
7.15 a.m. (4th programme and short waves); 2.00-2.30 p.m. (4th programme and short waves):
6.05 (4th programme);
8.45-9.00 p.m. (4th programme); 12.00-1.00 a.m. (short waves).
1st Programme — 522, 256 and 221 M.
4th Programme — 407, 445 and 282 M.
3rd Programme (short waves) — 16, 19, 25, 31, 33, 41 and 49 M.

GALEI ZAHAL
5.58 a.m. Morning Prayer. 6.05 Morning Tunes. 7.55 Programme Trailer. 8.05 Zahal's Newsreel. 9.05 Requests. 9.55 "Armies of the Nations." 10.05 Warm and Tasty. 10.55 Uri Sela's Corner. 11.05 Warm and Tasty. 11.55 Haim Guri's Corner. 12.05 Zahal's Newsreel. 12.25 "Midday Star." 12.55 Yitzhak Tishler's Corner. 1.05 Entertainment programme. 1.55 p.m. Announcements. 2.05 "2-3-4" — with Shmuel Shai and Ehud Graf. 4.05 "Another Face in the Mirror." 4.35 Light and Classical Music. 5.05 Zahal's Newsreel. 5.55 Programme Trailer. 6.05 "Dual." 7.05 Improvisations. 8.05 At the End of the West. 9.05 An Hour with Omri Nitzan. 10.05 "Tonight" — with Uri Sela. 11.53 Midnight Talks. 12.05 Zahal's Newsreel. 12.30 "Night Birds." 2.05 Light Music. 3.05-6.00 "Tunes in the Night."

ISRAEL TELEVISION SERVICE
5.30 News. 5.32 "Windows on the World." 6.00 Children's Songs from All Over the World. 8.00 "All Beginnings." 8.30 Mabat. 9.00 Entertainment Programme. 9.40 "Tandu." 10.05 News.
Educational: 3.15 English 6. 3.05 Maths. 6; 9.25 Science, Physics 8. 10.00 Biology 9. 10.20 English 5. 10.45 Electricity 10. 11.05 Advice and Guidance 9. 11.25 Maths. 5. 12.00 Biology 10. 12.20 Science/Physics 7. 12.40 Literature 2-5. 1.00 Science 6. 1.25 Film. 1.45 Society and culture. 4.00 Story. 4.15 A Meeting with Yitzhak Orpaz. 4.45 "Press."
Arabic: 6.30 News. 6.32 Sport. 7.16 Projector. 7.25 Programme Review. 7.30 News.



TO HAIFA AND ASHDOD

PORTS	
C. OF FLORENCE	11.11
Haifa/Ashdod	
DEVORA	13.11
Haifa	
SAILOR PRINCE	13.11
ORIENTVILLE	15.11
Ashdod	
STAR	14.11
Haifa	
LINDO	15.11
P. SUN	14.11
Haifa/Ashdod	
LEDA	15.11
Haifa	
NARCIS	15.11
ALGA	16.11
HOPE	16.11
LILAC	17.11
C. OF NAPLES	17.11
TO EILAT PORT	
TAMY	13.11
MARITA	18.11
LEORA	23.11

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MONDAY

ARRIVALS: TWA 811 from Bangkok and Bombay, 0415; Air France 161 from Teheran, 1020; El Al 002; from N.Y. 1220; Olympic 301 from Athens, 1250; Alitalia 738 from Rome, 1325; TWA 880 from N.Y. and Athens, 1430; El Al 566 from Teheran, 1520; Lufthansa 632 from Frankfurt and Munich, 1525; TWA 810 from Boston, Paris and Rome, 1635; KLM 525 from Amsterdam, 1650; Sabena 201 from Brussels, 1725; Swissair 330 from Zurich, 1505; CPA 242 from Montreal, Amsterdam and Athens, 1815; El Al 424 from Rome, 1855; El Al 426 from London, 2000; BA 484 from London, 2010; El Al 428 from Paris and Geneva, 2040; El Al 334 from Brussels and Zurich, 2110; El Al 420 from Amsterdam and Vienna, 2140; Air France 134 from Paris and Lyon, 2150; El Al 582 from Istanbul, 2215.

DEPARTURES: TWA 811 to Rome, Paris and Boston, 0530; El Al 221 to Paris, Montreal and N.Y. 0630; Swissair 321 to Zurich, 0700; El Al 565 to Teheran, 0740; El Al 001 to N.Y. 0800; El Al 333 to Geneva and Brussels, 0820; El Al 429 to Vienna and Amsterdam, 0835; TWA 841 to Athens, Rome and N.Y. 0845; Air France 139 to Athens and Paris, 0850; El Al 425 to London, 0900; BA 485 to London, 0925; SAS 852 to Copenhagen, 1035; El Al 423 to Rome, 1125; Air France 161 to Paris, 1135; Olympic 302 to Athens, 1350; Alitalia 739 to Rome 1410; Lufthansa 637 to Frankfrut, 1615; El Al 581 to Istanbul, 1745; TWA 810 to Bombay and Bangkok 1750.

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HAIFA: Balfour, 1 Massada, 662289.
BEERSHEBA: Assuta, Merkaz Gilad Hadash, Derech Hanessi'im.

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Registration has started and is continuing, every day at the Ulpan, 105 Rehov Herzog, 10.30 a.m. to 12.30 p.m.
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TEL AVIV, Beit Ariosoroff, 8.30 p.m.
Mon., Nov. 11 • Mon., Nov. 25
Beit Barbour: Fri., Nov. 15
One of the most successful dances is Ashira Leshabazi — New York Times
Hora is a dance that could only have come from Israel — Oregon Journal, Portland
The world premiere was staged during Inbal's tour in the U.S.A.
Camery Programme
Nov. 12, Kiryat Shmona (Omanut Le'am) • Nov. 14, I.D.F. • Nov. 21, I.D.F.
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TEL AVIV MUSEUM in cooperation with TEL AVIV-YAFO MUNICIPALITY
Tuesday, Nov. 12, at 8.30 p.m.
RECITAL
UZI WIESEL, cello
Bach (two suites — No. 2, No. 3) Tal (Treatise (premiere))
• •
Saturday, Nov. 23, at 8.30 p.m.
MINDRU KATZ PLAYS BEETHOVEN
Two rondos (op. 15, No. 1, No. 2); 32 Variations in C-minor, Sonata op. 109, Sonata op. 57 "Appassionata"
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Tackling the productivity problem

The Government has taken stringent measures to bolster the economy and offset our dwindling foreign currency reserves. But the basic issue of our depressed productivity has yet to be tackled, says Jerusalem Post Economic Editor MOSHE ATER. Bad management is a major reason for this country's poor productivity; our tax system is another.

ECONOMISTS may be at loggerheads on many points, but all of them agree that the greatest virtue is productivity, and that this is doubly important for a small country in distress which should make the best possible use of all the scanty resources at its disposal. Manufacturers and trade union leaders, politicians and professors, all appeal to us to increase productivity, improve our economic performance, raise the ratio of our output to input, and similar slogans. But whether these appeals help is not at all clear.

Many observers doubt whether much is done in this respect other than to sermonize. Hard data about productivity are few, far from reliable, and disappointing. Despite all the fuss about the need to speed up the growth of productivity in order to make good the losses we have suffered in other respects, it seems to be slowing down. After the war there was much talk about a new start to be made by concerted action, but no signs of it are visible.

In 1969, product per work-hour in the Israeli economy increased by an average 7.7 per cent. In the next two years the increment was close to an annual 6 per cent. In 1972 it dropped to less than 4 per cent. Last year it improved somewhat, but was still under 5 per cent. In the current year the advance has been tentatively estimated at 3 per cent.

Public services

To be sure, these figures refer to overall averages. The advance in 1974 is said to be about double the above figure in industry and in agriculture, while it is — at best — zero in public services. This is small consolation, for past gains were also achieved mainly in manufacturing, farming and construction, and not in services.

It is also argued that productivity is now depressed owing to dislocations, shortages, and changes in lines of production, caused by the war and its world-wide aftermath. But does not this mean that we have failed to offset these adverse factors by better use of our human and material resources?

To bring the point into sharper relief, one should bear in mind that, even before the war, output gap between Israel and the industrial countries was increasing more rapidly than in Israel, and that no slackening in this respect has taken place. There seems to be no gainsaying that the productivity gap between Israel and the industrial countries is now widening, contrary to what we have been used to believe. And there is no need to enlarge upon the consequences of this development for Israel's competitive power and earning capacity.

Can anything be done to reverse this trend? Probably yes, though the matter is much more complex and more difficult than is commonly believed. Most people tend to consider productivity dependent primarily on the effort made by the labour force involved. They feel that what is required is harder work and better work discipline. A more sophisticated approach advocates output incentives, in order to make the wage-earner directly interested in the results. Some quarters, including the Ministry of Labour, have been putting great store by detailed plans worked out to reduce waste and improve efficiency in individual enterprises. However, neither of these approaches encompasses the whole range of the factors involved.

Important though work is, it is only productive when properly applied, and combined with other economic resources. Productivity therefore depends crucially on good management. And the role of managers is likely to gain in importance as the producing units become larger, and the technologies employed more sophisticated. It is therefore small wonder that in countries lacking industrial tradition, like Israel, finding good managers is a difficult problem.

A survey carried out by the Productivity Institute revealed that output per worker in factories employing more than 300 people is — as a rule — smaller than in those employing 100 to 300 people, even when the former have more capital per worker. Obviously, the fault lies with the managers, who lack the training, the skill or the drive necessary for their responsible jobs.

This has been confirmed by another survey, which compared the productivity of knitting factories here and abroad, and found that while Israel is ahead as regards small plants, it lags behind as far as the large ones are concerned, the lag increasing in line with the plant's size. These paradoxical findings should make one ponder whether we have not been mistaken in putting so great an emphasis on large industrial concerns, which evidently exceed our managerial potential. In any case, this bottleneck should have led us to devote special attention to the proper selection and training of scarce managerial talents. However, few would disagree that the situation in this respect is far from satisfactory. In our vast public and semi-public sector many managers are still appointed for political considerations. Even in private companies, good connections with the Establishment are prized, because financial arrangements concerning prices, subsidies, and credit terms, are often more important for a firm's profitability than good production results. A company may be operating in the red and yet show good profits in this country, so why should one worry too much about it?

Bad management is one major reason for Israel's poor productivity record.

Another factor affecting productivity is the efficient use of machinery, equipment, and other material resources, which also leaves much to be desired not only owing to faulty planning, but also due to the economic climate prevailing in this country. In many cases expensive equipment — acquired in order to benefit from investment grants and cheap loans — is only partly utilized, because its productive capacity exceeds actual demand. Or because workers are not keen on afternoon and night shifts.

In the metal industry — booked to the hilt — most of the machinery has been recently found to be utilized to little over one half of its capacity, while the most productive machines (operated by numerical control) were utilized to only one quarter of their potential. On the other hand, many factories are using outdated and inefficient equipment, because they are operating in conditions bordering on monopoly and are little concerned with saving costs.

Another reason for waste is the high cost of ancillary and standby equipment, which is — of course — little used, and could be shared by several producers. As a matter of fact, regional plans for sharing power units, maintenance services, transport fleets, and mutual aid in emergency cases, were suggested after the war as a necessary part of our defence effort. But sharing could also contribute to advancing productivity. The same refers to sharing computers, and cooperation in research and marketing. However, so far much too little has materialized in this respect.

Cartelization

It is true that cooperation between producers in the same industry could easily lead to cartelization with all its adverse effects. But this could perhaps be averted by more import liberalization. On the other hand, in many cases we seem to combine marketing cartels with maintenance of separate and inefficient manufacturing units. This is the case also with many of our construction and transport enterprises.

Lastly, the productive input of labour proper is also dependent on many more things than wage terms and discipline on the factory floor. Though these factors may be crucial for routine work, their effectiveness must decline as production becomes more sophisticated, and more reliance must be put on the workers' initiative and versatility. In modern industry, therefore, increased attention is paid to strengthening the workers' personal involvement in the firm's progress by ways and means aimed at job enrichment (such as supplementary training of employees in additional operations, job rotation, encouragement of teamwork, cultivation of production councils), and by the introduction of schemes appealing to the workers' self-interest (such as individual career advancement, incentive pay linked to the firm's overall results, and profit sharing).

Incidentally, these efforts are aimed also at increasing labour mobility. A firm which can shift its workers in accordance with changing circumstances can also stand up better to market fluctuations and emergency situations, a factor of particular importance in this country.

However, little progress is being made in this respect, and the work pattern remains predominantly rigid. Even plain wage premiums, based on output norms, are less widespread here than is commonly assumed. Out of some 300,000 industrial workers, measured norms are applied to about 65,000. Another 25,000 people are working under such terms in transport, ports, farms, and power plants, but scarcely any in services. Subcontracting (without measured norms) is applied to another 80,000 (mainly in construction and ports). But, experts say, output premiums could be extended to another 150,000 workers, and could increase their output by about two thirds. Wage incentives linked to overall efficiency have been introduced in only a handful of factories. Profit-sharing is also not making headway (except in a few Histadrut affiliated companies), largely because the high tax incidence reduces its attractiveness.

The devastating effect of our tax system on productivity is too well-known to need elaboration. Since most of any income increment is taxed away, the efficacy of wage incentives for work morale has been largely blunted. Israeli workers are not keen about straight wage hikes, preferring tax-dodging fringe benefits which are not linked to output, and are achieved mainly by sheer force of collective bargaining. Even seniority and overtime pay is often fixed on a flat basis.

Moreover, the dominating position of our trade unions and work committees — on which this bargaining is based — also results in most workers' lack of interest in their firm's production problems.

Participation in management, which is a popular slogan abroad, is almost non-existant here (though in the few cases where it has been introduced excellent results have been achieved, with productivity rising by up to one fifth). Moving an employee to a different job is no less a problem in Israel than in Britain, where different unions are anxiously watching each other's delineation. Absenteeism was very high here even before the war, and has worsened since (in some cases reaching as much as 20 per cent of the labour force), largely owing to widespread moonshining, made particularly attractive by the tax evasion offered.

Labour shortage

On the other hand, the prevailing labour shortage induces many companies to keep deliberately redundant labour as a reserve for contingencies. For all the lip service that is paid to advancing labour mobility and improving work morale, both management and trade unions in Israel are actually obstructing progress in these fields.

Of course, we are doing a great deal to increase productivity. Vocational training is being expanded, modern equipment is installed, various schemes for improving efficiency are launched. But all this is carried out in a counter-productive atmosphere, and is therefore to a large extent stifled. A serious attempt to improve our economic performance must start with checking the causes which have brought about its deterioration. It must include not only the factors directly involved in the individual factories, farms and offices, but also the general, national framework in which they are functioning.

Bread and butter — what they cost now

Jerusalem Post Economic Reporter

The Government's tough economic measures included price rises on food, fuel, electricity, water and transportation.

Sugar went up from IL2 to IL6 a kilo, cooking oil rose from IL1.05 to IL2.60 for 580 grams, white bread will now cost IL0.95 instead of IL0.55 for 750 grams, margarine went up from IL0.47 to IL1 for 200 grams, and butter rose from IL1.20 to IL2.00 for a 100 gram packet.

Other price rises on food and utilities include:

Item	new price IL	old price IL
sugar (kg.)	6.00	2.00
oil (580 gm.)	2.60	1.05
margarine (200 gm.)	1.00	0.47
frozen meat (kg.)	20.00	17.00
poultry (min. per kg.)	5.50	4.50
standard bread (kg.)	1.00	0.55
stand. bread (750 kg.)	0.85	0.50
white bread (750gm.)	0.95	0.55
challah (500 gm.)	1.00	0.60
milk (1 litre)	1.60	1.00
high-fat cream cheese (250 gm.)	1.40	0.80
low-fat cheese	1.30	0.75
Emek processed cheese (kg.)	18.00	11.00
butter (100 gm.)	2.00	1.20
eggs (small)	0.38	0.255
FUEL		
petrol 83 (litre)	2.30	1.40
petrol 94 (litre)	2.30	1.70
kerosene (litre)	1.25	0.70
diesel fuel (litre)	1.04	0.52
crude fuel for electric power (ton)	450.00	210.00
crude fuel for industry (ton)	475.00	220.00
cooking gas (per small balloon)	30.00	18.0
ELECTRICITY (per kilowatt-hour)		
home	Ag.24.87	Ag.14.87
commercial and public	28.63	18.63
agriculture	21.10	11.10
WATER (per cubic metre)		
home	46.8	20.7
industry	39.6	22.0
agriculture	25.6	10.8

Items which may not be imported during the next six months:

item	amount imported (in millions) (est.) 1973	1974
beer	0.6	1.0
carpets	2.6	2.9
materials (cloth)	3.0	3.8
shoes	3.1	3.4
sanitary aids	1.6	2.1
chinaware	0.4	0.5
ceramics	0.4	0.6
lamps	0.6	0.8
dishwashers	1.4	1.6
vacuum cleaners	0.4	0.5
mixers and blenders	0.9	1.1
electric fans	0.2	0.2
hair dryers	0.5	0.6
televisions	5.0	6.2
hi-fi equipment and radios	6.7	8.3
cars	57.0	62.0
small boats	0.2	0.2
antiques and artworks	3.6	4.5
refrigerators (above 16 cu. feet)	1.0	1.4
cement	15.0	15.0
plywood and veneers	3.0	4.0
furniture (some types)	8.0	12.7
airconditioners	2.0	2.7
bathtubs	1.4	1.9
nuts and dried fruit	—	—
mineral water	—	—
	$116.7m.	$138.2m.

The above items have also had from 10 to 20 per cent additional customs duty and/or purchase tax imposed, as did all other electrical appliances, sweets and toys.

Oil and sugar prices are a world-wide issue

By JOSH FITZHUGH

NEW YORK (AP). — Sugar and oil are both stories of prices, profits and pocketbook pain this year.

Prices, because worldwide shortages of both energy sources have caused crude oil and raw sugar prices to rise by more than 400 per cent in a year, pulling retail prices up with them.

Profits, because producers and some refiners of both commodities have reaped tremendous windfalls.

And pain, because the consumer has had to pay the price. Try as it can, the public hasn't been able to cut demand or find alternatives fast enough.

Nor is the prospect brighter for the consumer in 1975. Experts doubt the producing nations' oil agreement can be broken soon, or that sugar supplies will soon creep up to meet demand.

Last month, the spot price for raw sugar on U.S. markets was around 45 cents a pound, over four times the price recorded a year ago. On the retail level, sugar has increased to as much as IL5.25 per kilo today.

Likewise free world crude oil prices have skyrocketed, from around $3.50 a barrel last fall to a high of $12 a barrel last summer. Gasoline prices, as drivers well know, have nearly doubled in some areas.

At first many U.S. analysts attributed the sharp rise in oil prices to supply and demand factors, but with consumption down and prices still high, most are now placing the blame on the producing nations, whose organization of petroleum exporting countries serves as a classic marketers' cartel.

In sugar, despite similar reliance on supplies from many developing nations, like Brazil and Cuba, most experts point rather to a classic supply-demand scenario. For four years, because of unfavourable prices and inclement weather, world consumption has exceeded production forcing companies to dip into inventories and placing upward pressure on prices.

Curiously, though, analysts say the oil producers have also contributed to higher sugar prices. "The Arabs have been buying very, very heavily, more than ever before," says Marvin Gelles, assistant to the director of the Sugar Division of the U.S. Department of Agriculture. The oil nations have the money to spend, he explains, and they want to improve the living conditions of their own people.

Higher prices have brought big profits to both sugar and crude oil producers. In the past 12 months, for example, Exxon Corp. has earned approximately $3 billion after taxes, up about 50 per cent from the previous 12-month period.

As in oil, sugar price increases have flowed to producers predominantly. The higher prices have quickly covered the growers' costs, and what's left has gone toward earnings. Like the oil companies, the sugar companies say the earnings come on top of poor results in previous years.

Stock exchange to resume trading tomorrow

By MACABEE DEAN

Jerusalem Post Reporter

TEL AVIV. — The stock exchange will resume trading tomorrow morning with "all restrictions lifted and all former orders, both buy and sell, cancelled," a spokesman for the exchange said yesterday.

The Natad dollar, which went for IL5.17 on Thursday, will rise to a minimum of IL6.00, the new legal price for the dollar.

Although the price changes in index-linked bonds and stocks cannot be predicted, both are expected to rise, with index-linked even "soaring," since prices of basic stables, which form a considerable part of the Cost-of-Living index, have risen sharply. Under stock exchange regulations, stocks can rise or fall by five per cent in any one day, and index-linked bonds by only three per cent.

However, due to the sudden change of conditions, these restrictions will be lifted tomorrow to allow the market to seek its own, new level.

All former buy and sell orders have been invalidated, since honouring them would do a great injustice to the customers. For example, if a customer on Friday offered to sell a certain stock or bond at a specific price, he would lose considerably if this order was actually transacted in the changed conditions now reigning in the country.

More than just a business, funeral directors say

By JUDY SIEGEL

Jerusalem Post Reporter

ALTHOUGH "nothing is so sure as death and taxes," delegates to the Jewish Funeral Directors of America convention now meeting in Israel say their work is more than a business or an occupation.

Dealing constantly with bereavement is an emotionally exhausting experience and a great responsibility. "We all build up a shell of defence around ourselves," says convention director Andrew Fier, who heads Riverside Chapels in New York. His firm has strict rules that every funeral director must get three days off in a row to unwind. When they're away from work, they shed their funeral clothing for more modish styles.

"Up to a few years ago, death was an unmentionable subject in America," notes Mr. Fier. "Now we've realized how much healthier it is to bring it out into the open. Colleges sponsor courses on dealing with death, and articles on mourning appear in popular magazines."

In addition to attending special schools on the college-level to receive state licences, funeral directors often take courses in psychology and grief therapy. Management finds it quite difficult to attract young people into the field even though the starting salary is about $15,000. Most of the convention delegates say their fathers and grandfathers were funeral directors before them, and that theirs is a family business.

The average cost of a Jewish funeral today (excluding the cemetery plot) is about $1,200, which is several hundred dollars less than the average cost of a Christian service.

With inflation and skyrocketing land prices, a significant number of Americans decide to have their relatives cremated. But only about one per cent of the Jews in America disregard *halacha* and request cremation. Mr. Fier asserts that funerals actually bring Jews back to their tradition. "I've met totally assimilated Jews who are suddenly changed when they recite the *kaddish* at a relative's funeral."

The Jewish funeral directors organization, now 47 years old, banded together to protect their common interests and provide information. They also have wider concerns. "We once sent representatives to Russia to protest when it was decided to pave over an old Jewish cemetery in Odessa," says Mr. Fier.

Int'l water parley starts tomorrow

Jerusalem Post Reporter

TEL AVIV. — Water experts from some 20 developing countries will convene here tomorrow for an 11-day "International Workshop on Efficient Use and Reuse of Water." The workshop, sponsored by the Agriculture Ministry, will be held at the Migdal Daniel Hotel in Herzliya Pituah.

Delegations which have already confirmed their participation include Rumania, Turkey, Ethiopia, Spain, Venezuela, Argentina, Mexico, Guyana, the Ivory Coast, Nigeria, Nicaragua, Mauritius and India.

A GROUP of 35 Italian industrialists and scientists arrived on Friday for a whirlwind three-day visit to Israel as guests of the Weizmann Institute of Science.

Computer for Bar-Ilan U.

Jerusalem Post Reporter

A NEW COMPUTER, among the largest in Israel, is being installed at Bar-Ilan University. According to Mr. Ezra Ben Kochav, head of the Bar-Ilan Computer Centre, it is an IBM 370/168 with a memory storage of one million bytes (characters) and a disc system unit capable of storing 487 million bytes. The computer has three printers and two card readers.

There will be a network of 31 new terminals connected to the computer. Most of these are on campus, with others in high schools in the Dan Region and at Tel Hashomer Hospital. With the aid of these terminals, researchers, students, pupils, teachers and doctors can obtain information from the computer.

The new computer, far more powerful than the one being replaced, will allow research to be developed to a degree unattainable with the former one. Mini-computers used on campus will be connected directly to the new network, which will provide for fresh technological development in computer applications through terminals.

A revolutionary service to students, named "Cafeteria Service," will enable them to obtain, in seconds, a print-out of the programme they are feeding into the computer.

The Computer Centre, with a staff of 43, has an annual budget of IL6.5 million.

THE BOARD of Directors of Overseas Commerce Ltd. on Friday elected Zim Director-General Yehuda Rotam as chairman of the board. Overseas Commerce Ltd. is a partnership of Zim Shipping Lines and Clal (Israel) Ltd. operating ship repair workshops and container depots.

Up! Up! Up!

Figures worth knowing

from the Annual Report 1974* of
The Manufacturers Life Insurance Company

ASSETS — millions of dollars — $2,740,820,000

BUSINESS IN FORCE — millions of dollars — $12,143,483,000

INCOME — millions of dollars — $423,886,000

Policyholders in Israel share in the progress of The Manufacturers Life Insurance Company of Canada through increased dividends and interest on dividends, and benefit from the service rendered to their families and their business.

* AS AT SEPT. 30, 1974

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Preference will be given to orders placed before Tuesday.

THE JERUSALEM POST

Editor: Lea Ben Dor

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Devaluation aches and pains

THE TROUBLE about yesterday's devaluation is that it had to be carried out despite strong misgivings concerning its success, because the rapid disappearance of our foreign currency reserves left no time for a more comprehensive economic overhaul.

Had the step been taken a year ago, when the nation was newly under the impact of the war and people were ready to do much to mend their ways, we might now be in better shape. The reform was delayed because it was believed that stability, full employment, and prosperity should be given first priority.

It had been hoped that the new economic policy launched last June would cool the economy gradually and thereby pave the way for fiscal and other reforms in the course of the next year. But it was already too late. We must somehow contrive to reduce our huge foreign trade deficit, even if it involves social stress. The resulting problems must be solved somehow, for the only alternative is disaster.

This grim background must be kept in mind in considering the manner in which the devaluation has been carried out. The official rate of exchange — applied in the main to capital transfers and tourists — was raised by over 40 per cent, while the effective rate for imports and exports was upped by less than 20 per cent, and prices for basic commodities about doubled. Nothing is easier than to see discrimination and anti-social bias in these figures, but only a reversal of previous policies could achieve a tangible effect. In the past year our living standards have gone up by an average five per cent. If it is now to be reduced by that much — which is a precondition for substantial saving of foreign currency — everybody, including the less well-to-do, are bound to feel the pinch. If we want to stop the flight of capital and to attract more tourists and foreign investors, they must be offered an exchange rate which they find favourable. We simply cannot afford to disregard economic reality any longer.

Pressure is now growing to soften the hardship created by means of C.o.L. increments and social payments, together with a promise that full employment will be assured by increased government spending should private industry be hard hit by rising costs in a declining home market. We shall have to beware of doing more than the absolutely essential or we may in due course find ourselves in worse trouble.

A large part of today's dollar deficit has its roots in the spending spree in Israel created by the government's deficit spending which approximated a whopping IL2b. in the past quarter. This flood of money, supplemented by cheap credits, enabled firms to disregard rational business procedures and families to engage in a buying spree. If an end is to be put to that, the deficit gap must be closed even if it means that inefficient companies collapse, and employers find themselves unable to pay higher wages. Unfortunately, for all the lip service that has been paid to proper budgeting, progress in this field seems modest.

The devaluation can save us from bankruptcy at the eleventh hour, but it is likely to aggravate social disparities and the resultant tensions. It may even affect our economic performance adversely for a time. It is certain to be accompanied by yet more bureaucratic intervention. Capital gains made by converters of foreign currency will make people envious. Shifting workers to export industries is likely to prove hard, even when production for the local market slackens. It is probably too much to hope that both the government and the trade unions will live up to the challenge we are facing, and that the public will adjust itself courageously to the emergency in which we find ourselves.

HOW WE'LL TIGHTEN THE BELT

By MORDECHAI ERANN
Jerusalem Post Economic Reporter

THE EMERGENCY Economic Programme announced by the Government in the early hours of yesterday morning aims at absorbing more than IL6,000m. from consumers, and reducing the balance of payments gap by some $700m.

The Treasury expects that a price rise of some 17 per cent will result immediately from the devaluation of the pound (from IL4.20 to IL6 per dollar), the abolition of subsidies on basic staples, the price rise of fuel and the increase in indirect taxes.

The steps listed in the Government's programme for restraining consumer demand and absorbing funds from the public (the so-called "belt tightening"), include:

- Raising the cost of public transfoods — thus eliminating the subsidies (see list on p. 7);
- Raising the prices of most basic port by 40 per cent (as of December 1);
- Raising the price of locally made cigarettes by IL0.10 to IL0.25 per pack;
- Raising the price of cement (in line with the new exchange rate and dearer fuel and electricity);
- Raising the cost of communications services (telephone, postage etc.);
- Raising port and airport fees by 43 per cent;
- Maintaining for an additional year the freeze on the construction of large flats and public projects;
- Maintaining the limitation on the volume of bank credit for another three months. The Bank of Israel will impose even stiffer fines on banks which increase their credit beyond the limit;
- Reducing this year's Government spending by another IL1,000m., which means a reduction of money flow to the public; and
- Setting limitations on the Government budget planned for the coming fiscal year.

In order to reduce the balance of payments gap, the Government has imposed a ban on imports of 30 "luxury items" for the next six months, and has raised taxes — either duties or purchase tax, or both — by between 10 and 20 per cent on 39 items. The defence surcharge has been lowered from 35 per cent to 15 per cent, but the levy will now be collected immediately as foreign funds are allocated, or upon release of the merchandise from the port — whichever comes first. The deposit of 35 per cent on imports will be maintained. (See lists of items on page 7.)

The rise in prices of fuel, electricity and water, and the increased travel tax, are also designed largely to save on dollar spending. The travel tax, until now charged at a fixed rate of IL600 plus 10 per cent of the ticket cost, has risen to a fixed rate of IL750 plus 15 per cent of the ticket price. Thus, a ticket to Paris will now cost more than IL5,000 (instead of IL3,346) and a ticket to New York IL8,060 (instead of IL5,831).

Additional aspects of the Government's programme call for increased recycling of waste, to reduce spending on raw materials. The Government will encourage private initiative in this, and will help to set up plants or production lines which use recycled waste materials.

Restrictions

Other savings on dollar spending will come from restrictions on travel abroad by officials: no delegations will go abroad until the end of this fiscal year, and the number of officials sent to negotiate official Government business abroad will be reduced.

The allocation of foreign currency to businessmen going abroad will be reduced, as will the proportion of their expenses deductible from income tax.

Trips for refresher courses abroad will be cancelled. An effort will be made to convert the moneys accumulated in refresher-course funds into savings funds, and professional complementary courses abroad will be permitted only if the course is unavailable in Israel. Academic staff going abroad on sabbaticals will also get smaller foreign currency allocations.

The programme calls for a wage freeze for one year, and suggests that Cost-of-Living increments will be paid in January, July, and again the following January — but that they do not include the rise in cost due to the devaluation, elimination of the subsidies on staples, and the increased cost of fuel and electricity. The Histadrut has already stated it will not agree to this, and a sharp struggle is anticipated.

The programme also suggests that the Government, the employers and the Histadrut jointly appoint a public committee to study the structure of wages, income and taxes, and to propose reforms in the system. A Ministerial Committee will be set up to propose ways of saving on fuel and electric power, and a public committee will investigate how to apply the programme in Government corporations.

The policy on reimbursement of car expenses (companies usually follow the Government's rates for its employees) calls for increasing these by only 75 per cent of the increased cost, and recognizing only this amount for income tax purposes. This means that if an employer pays the full increase to his workers, only 75 per cent would be deductible as a legitimate expense. An employee will have to pay income tax on the amount reimbursed to him above 75 per cent of the increased costs, as though it were income.

The Government says it will see to an even distribution of the load — that is, families with low incomes, welfare recipients, and those with many children, will be compensated. The methods, and the amounts, will be determined together with the Histadrut and the National Insurance Institute, subject to approval by the appropriate Knesset Committees.

Meanwhile the Government will pay advances of IL100 and up to welfare recipients, old-age pensions will be increased by IL50 per couple, and families with three or more children will receive an added payment of IL50.

On the other hand, a surcharge will be imposed on inventory, to prevent profiteering from the devaluation. Treasury officials yesterday started to obtain statements on their inventory, from all merchants who hold goods in warehouses, to be compared later with their records. Stores with inventories of less than IL20,000 will report and pay the surcharge together with their tax returns. The surcharge will also be imposed on merchandise bought at the previous exchange rate, which had not been released from the ports.

The rate of interest on the various Government loans to industry, agriculture and tourism will be changed, and will rise if the C-O-L index rises at a rate of more than 20 per cent per year. The monthly payment of housing mortgages will be raised according to the borrower's ability to pay, and in line with the rise in the price index.

The tax on capital gains has risen from 40 to 50 per cent, and the required time of holding the property in order to get a tax reduction lengthened from 28 to 35 years; the Land Betterment tax will be readjusted to provide for a higher tax on property resold after a short period. The law will be amended to require tax to be paid on the sale of a property even if held 37 years or more (which until now was tax exempt).

The tax deduction at the source on income from dividends has been raised from 30 to 35 per cent; the service tax for banks and insurance companies has been raised from 3.5 to five per cent.

The Goverment will examine the feasibility of instituting a net worth tax, and will impose stiffer penalties on income tax evaders and on violators of foreign currency regulations.

As the Treasury sees it, the devaluation will result in an average price rise of 24 per cent on imported commodities, will add 18 per cent to the income derived from each export dollar of added value, and will give investors of foreign currency a 43 per cent larger return. The export growth rate, as a result, will be higher by four per cent.

Thus, exports should bring in an additional $150m., imports would be cut by $200m., and the inflow of foreign capital is expected to grow by some $300m. to $400m.

While the devaluation itself will increase the money in circulation by some IL3,000m., as the result of the higher exchange rate for tourists and reparations dollars, import restrictions are expected to save a similar amount. The consumers' purchasing power will be reduced by some IL2,500m. due to the various price increases of staples, and some IL800,000 will be absorbed through the added cost of petrol and fuel. Private consumption is expected, consequently, to decline by some four to five per cent.

READERS' LETTERS

Can't afford to be a nation of vested interests

To the Editor of The Jerusalem Post

Sir, — This country consists of a few million people, all good citizens. We have a very respected Histadrut and a no less important Manufacturers' Association. We have a fine organization of moshavim and very good individual farmers. We have a fine WIZO and we even have football teams with a great sense of identification. We also have many good citizens.

Never before has one group — in this case the Histadrut — dared to challenge the authority of the Government in its economic or other decisions. People are allowed to criticize — this is their democratic right — but never to threaten the elected Government of a nation.

Why shouldn't other groups do the same and demand that the Government take no decisions without their consent? And if the Government does not agree because it must consider the existence and well-being of the whole House of Israel, what will the next step be? Revolution? Or passive resistance?

The times are too serious for irresponsibility and interference with Government planning and execution of decisions. Advice should be sought by the Government and given to it by the Histadrut and all the other interested groups, but not indirect threats.

The people of Israel are all ready to follow the leaders of our Government and to make any sacrifice required for our survival. We cannot afford today to be a nation of different vested interests.

X. Y. FEDERMANN
Tel Aviv, November 7.

Must clamp down on tax dodgers

To the Editor of The Jerusalem Post

Sir, — It upsets me to hear the Government tell us that we must bring down our standard of living even more, and at the same time hear people bragging to their friends about how much money they save by cooking their tax returns. Why doesn't the Government clamp down hard on tax dodgers before deciding again to rob the wage-earners of an additional part of their income?

PAULA PAT-EL
Haifa, November 5.

Social needs of J'lem's Arab communities

To the Editor of The Jerusalem Post

Sir, — I feel that the headline in Tuesday's paper (November 4) "Kollek-Peace could prompt Jerusalem clashes" is misleading and therefore I would like to add something to the otherwise excellent content of this report.

When the situation in the city has normalized following the Six Day War, a great number of social demands, hitherto in the background, came forth in Jewish Jerusalem. Similarly — and what I was trying to explain — there are a great many social needs that have not been solved in the Arab communities. Once a normal political situation is reached in Jerusalem, these many possibly come to the forefront. It is better to deal with these now, to an even greater extent than we are doing, so that we may avoid this social clash which would come in addition to the existing national differences — and therefore be doubly grievous.

TEDDY KOLLEK
Mayor of Jerusalem
Jerusalem, November 6.

Egyptian bluff

To the Editor of The Jerusalem Post

Sir, — This is what the Israeli public knows:

1. Russia is supplying Syria with enormous quantities of sophisticated weapons.

2. Our defence forces are digging in the Golan Heights because of Syria's belligerency.

This is laudable, but what of the Egyptian front?

We are becoming slowly lulled into the belief that Sadat really wants peace. Our complacency is exactly what Sadat wants of us. He is becoming a master of bluff.

Let us look at his record:

Just before the Yom Kippur War, we were told to believe there was a rift between the Egyptians and the Russians. This so-called rift helped the Egyptians to catch us with our pants down.

The Egyptians and the Russians are once again playing a game of bluff. If we are not careful, Egypt will surprise us again. Syria will be the tough decoy which will keep a large part of our forces engaged on its frontier, giving Egypt almost free reign in the South.

We must not rely too much on defending only one sector as being the more dangerous side of our borders, for this is exactly what the Arabs want us to do. Let us not be as complacent as before with regard to Egypt.

Remember Sadat said that he can surprise us again.

SASSON SOFAER
Tel Aviv, October 26.

Arab oil policies threaten free world

To the Editor of The Jerusalem Post

Sir, — Today we are witnessing a new brand of exploitative nationalism: the blackmail and intimidation of the entire free world by the emerging Arab oil cartel countries led by a small group of irrational, irresponsible demagogues prompted by greed and intoxicated with power and political ambition.

Seemingly unconcerned about the consequences, the Arab bloc is creating uncontrollable inflation and risking the universal misery of worldwide depression in what they consider their sovereign right to utilize oil resources as a weapon to coerce the world community into supporting their efforts to destroy the State of Israel and achieve other ambitions. Via the reduction and allocation of essential energy supplies at unconscionably high prices, they are impoverishing the developed nations, crippling the developing nations, destroying the international monetary system and extorting the entire worlds' economic wealth while simultaneously tempting their victims to accede to the Arab line with offers of massive loans and investment of the victims' former funds and mythical assistance programmes to the Third World Nations to offset oil import trade deficits.

It would be naive to assume that the Arabs would be satiated by the destruction of the State of Israel. That success would only fuel their thinly veiled ambitions of world political and economic control. The tragic experience of the attempts to appease Hitler illustrate that the blackmailer cannot be bought off and any efforts to do so merely compound the victims' plight and risks. There is no past or present evidence that can support Arab good faith in their relationship with Israel or the world community.

It is apparent that the only way to insure permanent stability in the Middle East is a major power insistence on a permanent, guaranteed, binding peace treaty freely negotiated between Israel and all her Arab neighbours, incorporating defensible borders and prohibiting a terrorist state within the former Palestine Mandate. Anything less would be an invitation to future conflict, the eventual sacrifice of Israel and a second Holocaust.

The continuance of the present Arab policies threatens the survival of the free world and portends political, economic and social disaster for all nations. The free world has no choice but to take affirmative action to prevent this. Anything less would be suicidal, merely postponing the inevitable and destroying the Western defensive capability.

HARRY L. LANGER
New York, October 28.

Apology from Holland

To the Editor of The Jerusalem Post

Sir, — I feel terrible about the behaviour of the two Dutch students who brought murderous Palestinian plans to Israel and then shifted the blame onto their naivete. Instead of apologizing for their stupidity, they even said insulting things about your brave people.

Please accept my apologies for them.

MISS B. A. KERKHOF
Leeuwarden, Netherlands,
October 27.

VIEWPOINT — MOSHE KOHN

Hebrew-speaking Palestinians, unite!

NOW THAT the country has taken a first serious step towards tightening its economic belt, Mapam deserves congratulations for having had the courage to be the first Israeli political party to go on record as favouring practical steps towards tightening our political belt.

I refer to the Mapam Council's resolution of two weekends ago calling on the Government to negotiate with any Palestinian grouping that will recognize the existence and sovereignty of the State of Israel and will cease all terrorist and hostile activities. The reports are not clear, but I presume that by "Palestinian grouping" Mapam means any group that defines its entity and id-entity in terms of the territory that the League of Nations defined as "Palestine" when it created the British Palestine Mandate after World War I.

One right step in this direction was taken early this month, when, with Mapam's concurrence, the National Religious Party was coopted to the Government.

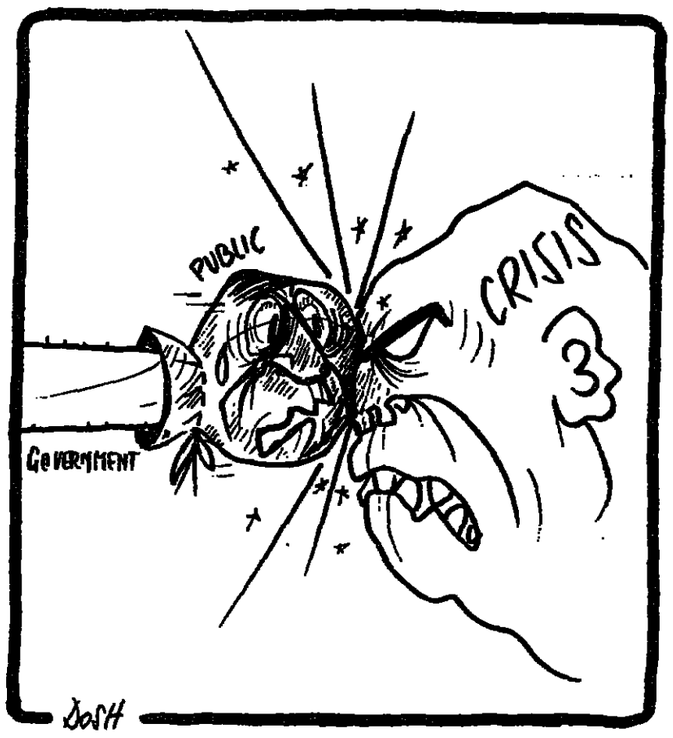
The next step might be dialogue, to be followed by Cabinet negotiations, with Agudat Yisrael and Po'alei Agudat Yisrael. They certainly recognize the existence of the State of Israel and also—with certain reservations in the area of religious life—its sovereignty. And they have lately not been engaging in much terrorist or hostile activity, not even as concerns *post mortems*. That dispensed with, dialogue could follow with Likud. All the components of Likud recognize Israel's existence and sovereignty, though some of them think the State should be exercising somewhat more sovereignty. And since Etzel (the "Irgun") and Lehi (the "Stern Group") disbanded and joined Zahal, certainly since the "Altalena" incident, no responsible people of the Likud's Herut elements have engaged in any hostile activity.

This could be followed by dialogue with the Gush Emunim people, initiators of the recent unauthorized settlement attempts in Judea and Samaria. They, too, recognize Israel's existence and sovereignty, even though—referring to the "higher authority" of God and the Tora — they believe, like Herut and others, that Israel is not assertive enough about her sovereignty, and have been engaging in some "hostile" activities aimed at challenging the Government into realizing its strength and asserting more of it. If they launch an honest dialogue with Gush Emunim, I think that Mapam and the Government will find that this aspect of the sovereignty question is negotiable even with those Messianists.

They will find, too, that a great deal is negotiable even with that group of Palestinian zealots known as the Natorei Karta. The terrorist and hostile activities they have traditionally engaged in—not much of late—really concern less the existence and sovereignty of the State of Israel than certain actions of its "heretical" leaders pertaining to particular religious beliefs and observances such as public Sabbath violation; *post-mortems*. We have seen that a *modus vivendi* can be found with them even in this respect.

There are other Palestinian groupings to be dealt with, but that should be less problematic after all the Hebrew-speaking Palestinians have been more or less united around certain common aims and a more-or-less common programme.

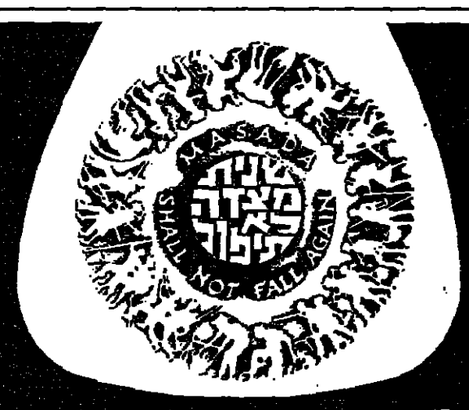
LET'S HOPE IT HURTS HIM TOO!



PENFRIENDS

HAREY VILJOEN (21), of Provincial Roads Department, Steynsburg 5320, South Africa, is a student who would like to have Israeli penfriends. His hobbies are photography, sports, stamps and music.

JYTTE B. MOLLER (27), of Osterogade 15, 8200 Arhus N, Denmark, participated in a three-day march and would now like to correspond with a Jerusalem woman of her age.



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